"The first step towards tackling poverty is understanding it better..."

POVERTY IN PERSPECTIVE

Claudia Wood
Jo Salter
Gareth Morrell
Dr Matt Barnes
Ally Paget
Duncan O'Leary

DEM⊙S

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Contents

At Demos, we are grateful for all the support we have received from our colleagues over the past year. Honourable mention goes to our interns Katherine Stevenson, Jennifer Norton, Nina Tobolewska, Ella Goschalk and Rosa Bransky, and researcher Chris Tryhorn.

Many others provided constructive criticism on our findings, which benefited the final report. Thanks to Ralph Scott, Rob Macpherson, Sophie Duder and Josephine Brady for coordinating the production and launch of the report, and Henrietta Ross whose outstanding design skills have created the infographics both in this report and on our new website. At NatCen, Ashley Brown, Nilufer Rahim and Fay Sadro have all dedicated considerable time and energy to this research.

As always, any errors or omissions are solely those of the authors.

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Duncan O'Leary

November 2012

Executive summary

This report is the culmination of an 18-month long project, led by Demos, in partnership with NatCen and supported by the Esmée Fairbairn Foundation, to create a new model to understand poverty in a multi-dimensional way.

This new model is unlike other multi-dimensional measures or analyses as we have applied a set of 20 indicators to those with incomes below 70 per cent of the median in a large household panel study (Understanding Society: The UK Household Longitudinal Study, which covers 40,000 UK households[1]) and identified which combinations of indicators cluster most frequently together. We are not redefining poverty, or measuring it in a new way that replaces the existing income benchmark. Instead, we are applying a new model of analysis to the low-income population (using an existing income-based poverty line) to better understand the lived experience of poverty and generate new insights into how to tackle it. Our reasoning behind this approach is described in detail in the main report.

We are now able to describe 15 distinct types of poverty within the low-income population, characterised by a unique interaction of 20 indicators across three cohorts: households with and without children, and pensioner households.

We have generated a rich source of data about different groups living in poverty, based on their lived experience, which could prove extremely helpful in guiding policymakers and practitioners in thinking in a more nuanced way about those who live in poverty (rather than considering them a homogeneous group). Our analysis should also prompt more holistic and multi-agency solutions (based on an understanding of multiple factors) regarding how each group might be helped out of the distinct type of poverty they face.

Such an exercise has never been carried out before, and the insights presented in this report – and their policy implications – are entirely new. In many cases they shake common assumptions about the meaning of poverty and what it is like for those living in poverty.

We were motivated to undertake this work following our report *3D Poverty*, which explored the public's perceptions and understanding of the poverty measures and analyses currently used, and the available alternatives.[2] We soon realised that an income-based poverty measure (the poverty line) was easy to understand, but used on its own might only prompt income-based solutions (benefit redistribution, or employment). In the face of unprecedented cuts to welfare spending and a sluggish labour market, however, neither solution is proving entirely effective in combating poverty, and we have seen an increase in in-work poverty over recent years. Attempts to think about the 'causes and symptoms' of poverty have had limited impact on policymaking thus far, and tend to be influenced by other agendas, such as social mobility, inequality or family breakdown.

We realised that a multi-dimensional analysis to enrich the current income-based measure was needed – one that resonated with 'real life' and could be understood by the public and used by practitioners and policymakers to tackle poverty in a less wide-ranging manner. After generating new findings through our analysis of the Understanding Society data, we verified them with 30 depth interviews with people living in each poverty 'group', and also attempted to apply our analysis in three local authority pilot areas.

This was undoubtedly an extremely ambitious undertaking, but we believe that the results make an important contribution to our understanding of modern poverty in Britain today.

This report is structured in eight chapters, across two sections. Section 1 presents the policy context, methodology and national findings based on the new model that has been developed. Section 2 takes a closer look at how the model could be applied at local level and the challenges local data

present in repeating this analysis with anything other than the Understanding Society data.

We have also developed a new website to present our findings in a more accessible way, which can be found at www.demos.co.uk/poverty/index. NatCen has produced its own report, *Exploring Multi-Dimensional Poverty: A research methodology to create poverty typologies*, which presents in greater detail the methodology used to produce the findings from the quantitative analysis of Understanding Society and qualitative study.[3]

Policy background

Poverty was placed firmly on the political agenda by the recent Labour Government after it was elected in 1997, and in 1999 Prime Minister Tony Blair made the historic pledge to halve child poverty by 2010, and eradicate it completely by 2020.[4] This pledge set in motion a series of policies aimed at improving the incomes of families with children and supporting children from disadvantaged backgrounds to fulfil their potential.

Labour also made steps to improve the way that poverty is monitored and measured. The report *Opportunity for All*, published in 1999, set out a range of indicators against which progress on tackling poverty and social exclusion at all ages can be measured, stating, 'there is no one single measure of poverty or of social exclusion which can capture the complex problems which need to be overcome'.[5] *Opportunity for All* used 59 indicators in total, covering educational attainment in children, health, housing, worklessness, income, adult qualifications and inequality. When the indicators were reviewed in 2007, the data showed improvements on 34 out of the total of 59 indicators since the baseline in 1997 – with seven remaining broadly constant and six showing regression (12 showed no clear trend in either direction).[6] In 2009, the Government (then led by Gordon Brown) introduced a Child Poverty Bill to enshrine in law four separate targets to eradicate child poverty. The Child Poverty Act 2010, which received royal assent six weeks before the 2010 general

election, had the backing of all the political parties.[7] Its four targets (to be achieved by the 2020/21 financial year) were mainly focused around reducing child poverty based on an income measure, but also incorporated a combined measure of low income and material deprivation.

Since coming to power, the Coalition Government has attempted to distance itself from Labour's approach to child poverty, which it accuses of relying too heavily on income redistribution methods. The accusation that has been levelled against Labour by the current government is that it threw large amounts of money at households just below the poverty line, yielding easy results for minimum effort, but without substantially altering families' circumstances, or removing the causes of their low income. In November 2010, Deputy Prime Minister Nick Clegg described this approach as 'poverty plus a pound', saying that this was 'simply not an ambitious enough goal'.[8] Instead, the Coalition Government has shifted the debate towards tackling the root causes rather than the perceived symptoms of poverty – though what exactly is classed as a cause and what as a symptom remains the subject of debate.

Since the Coalition Government formed in 2010, there have been several important new developments in the battle against poverty: the publication of the first national Child Poverty Strategy in April 2011, and the publication of two independent reviews commissioned by the Government – the independent review on poverty and life chances by Frank Field MP, and the independent report on early years intervention by Graham Allen MP.[9] Drawing on the work of Field and Allen, the Government then published its Social Justice Strategy in March 2012.

In December 2011, Secretary of State for Work and Pensions Iain Duncan Smith stated that targets set by the previous Labour Government to eradicate child poverty completely by 2020 were 'set to fail', arguing that the income-based approach was too narrow. He described income as an imperfect measure of wellbeing, with the latter dependent on a much wider range of outcomes (such as poor health, education,

life chances and family security).[10] This sentiment was echoed by Prime Minister David Cameron, who has repeatedly emphasised family structure and parenting skills as the foundations for opportunity in later life.

At the time, these comments reflected a potential sea change in poverty measurement, which was confirmed when, on the same day that poverty figures for 2010/11 were released in June 2012, showing that the Government had failed to meet its target to halve child poverty by 2010 (the target was missed by 600,000 children), Iain Duncan Smith said that the Coalition Government would seek to develop a new poverty measurement, which would include income but 'do more to reflect the reality of child poverty in the UK today'.[11] This resonates with the objectives behind the model presented in this report – to capture the lived experience. The consultation on this measure is due to be launched at around the same time as this report is published (November 2012), and we hope that the lessons we have learnt in developing this model might inform the Government's endeavour. We believe our analysis will act as a way of enriching whatever measure the Government decides on following the consultation process, and we will be submitting this report and its technical appendix, to the consultation to do what we can to help with what will be a challenging undertaking.

Methodology

Our model was created using a five stage process:

· selecting poverty indicators
· analysing the dataset of Understanding Society
· verifying the findings with follow-up interviews
· developing a toolkit
· testing the analysis at local level

We selected our poverty indicators by bringing together evidence from three sources: academic literature, a survey of the public, and input from focus groups of experts and practitioners working in the field. We settled on 20 indicators:

- income
- material deprivation
- lifestyle deprivation
- bills
- access to a car
- heating
- employment
- subjective financial situation
- neighbourhood deprivation
- physical health
- mental health
- caring for a sick or disabled child
- highest qualification
- neighbourhood support
- family support
- participation
- politics
- household composition
- tenure
- overcrowding

We then used these indicators in a latent class analysis of the Understanding Society dataset (a household panel asking a wide range of questions in all of the areas we needed to include, and covering 40,000 households). This generated clusters of indicators which coexisted most frequently together, thereby creating 'groups' of households with similar features.

We only analysed households with less than 70 per cent of median income, and every one of the 15 groups we have created have low income (based on a quantitative measure – though it is important to note that the families we spoke to did not necessarily identify themselves as being on a low income, or in poverty) in common.

We did this as feedback from policymakers, practitioners and the public strongly indicated that low income would always be a central feature of poverty, though not a sufficient way in which to describe it or to inform policies on how to tackle it. We selected 70 per cent of median income as a measure of 'low income' to identify our target group for analysis, as this income benchmark is identified in the Child Poverty Act 2010 as the one used when material deprivation is included. As we were going to match low income with a range of other factors (including material deprivation, and also housing, education and health issues) we felt the 70 per cent income line was more appropriate than the relative 60 per cent income line, which is used in isolation of other factors. We also felt that a 70 per cent income line would give us greater scope to explore the lived experience of those on or just above the relative poverty line.

We followed our quantitative analysis with 30 detailed interviews to verify our findings. Given the constraints of time and resources, we focused our qualitative work on the child poverty groups. We felt the priority placed on child poverty justified our selection of this one cohort over the two others. These interviews were designed to provide a greater insight into the lived experience of these types of poverty, tease out cause and effect, and explore ways in which these groups might be helped.

We used these findings to develop a toolkit – a series of steps designed to guide policymaker and practitioner thinking around each type of poverty (box 1). We designed our model to be used to combat poverty, and the toolkit is an important part of the process.

Box 1   **Toolkit**

1   **Description**
The first thing practitioners need to know in order to build a response to one of the types of poverty is what that group 'looks like'. What combinations of problems are they experiencing? How do they interact? What is the most significant dimension?

2   **Identification**
Practitioners next need to think about how they will recognise and reach these types of poverty in their local population – by identifying the statutory and voluntary services with whom those in poverty are most likely already to be in contact.

3   Harnessing existing resources
    At this stage, local practitioners and policymakers need to think about what services are already in place to target people experiencing each type of poverty, and how the dimensions of their poverty can be addressed through existing policies and interventions. In some cases, disparate services can be brought together more effectively to tackle multiple and complex needs.

4   Committing new resources
    Additional steps may need to be taken to improve people's quality of life and help lift people in each of the types out of poverty through extra services and interventions, new policies and strategies, and changing the allocation of resources.

5   Measuring impact
    To find out whether these interventions are having an effect on multi-dimensional poverty types involves more than simply measuring income. However, there are outcomes that can be tracked for each type of poverty to show improvement within it, using different sources of data.

The final stage of this project was to assess whether we could replicate our analysis at local level, using local data. Our reasoning behind this is that local authorities and local charitable organisations are on the coal face of combating poverty, and while our national groups are no doubt instructive to local agencies, their practical value to different local populations is limited.

We therefore worked with Camden, Wirral and Wakefield local authorities to see how well our national groups resonated with the local populations, whether local data were suitable to recreate our analysis and develop bespoke local poverty groups, and whether a local toolkit might be of use to practitioners on the front line.

Findings – types of poverty

We identified five groups living with incomes below 70 per cent of the median income in each of the three cohorts. We gave these names capturing their defining features. Table 1 lists the groups in order by prevalence. Thus the largest group of families living in child poverty are the grafters, and the smallest are the managing mothers.

Table 1   **The groups within the three types of poverty**

Child poverty types	Working age without children	Pensioner types
Grafters	New poor	Stoics
Full house families	Insecure singles	Coping couples
Pressured parents	Stressed groups	Cheerful grans
Vulnerable mothers	One man bands	Trouble shared
Managing mothers	Empty nesters	Left alone

Figure 1   **The proportion of the UK population that experiences each type of child poverty**
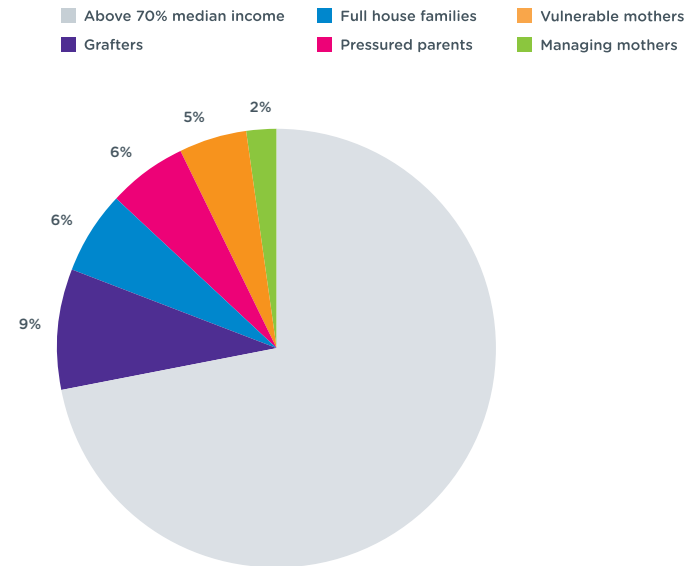
Child poverty groups
Figure 1 shows how many households in the UK experience child poverty.

The grafters This group makes up the largest proportion of low-income households with children, and is a combination of three sub-groups:

· the recently redundant
· the self-employed experiencing a drop in income
· those with a long work history in poorly paid jobs (the working poor)

While their employment status differs – they have much else in common: the vast majority of households in this group contain more than one adult, and although they have low incomes, they perform well across the other indicators – for example, they tend to be homeowners, have high levels of qualifications and employment, are not short of material goods, and report that they are coping financially. They live in less deprived neighbourhoods than other groups with low incomes and are likely to be engaged in community activity and politics. They are a far cry from the stereotype of people in poverty tackling multiple social problems, and are instead implementing stringent budgeting tactics in order to get by.

Full house families More than one in five (22 per cent) of families with children and low incomes fit into this group. These tend to be very large households, containing multiple adults and young children. Members of this group are more likely to be from Asian and other minority ethnic backgrounds, many without English as a first language. They are able to heat their homes and are not behind in paying bills, but housing conditions are likely to be overcrowded. Their qualifications range from low to degree level, and their rate of employment is low, with only one or two family members in work. They live in deprived but reasonably supportive neighbourhoods and get more support from families than other groups.

Pressured parents This group accounts for 21 per cent of low-income households with children. Living predominantly in rental properties – more often social than private – these families have a mixed range of low incomes but are extremely deprived on lifestyle as well as material measures. They tend to have poor physical and mental health, low skills and low rates of employment. They are also more likely to be caring for a child with a health condition or disability than other groups.

Vulnerable mothers Just under a fifth of low-income households with children (18 per cent) fall into this group. Group members are extremely likely to be single parents – mostly young single mothers under 24, with babies and/or young children. They are most likely to be renting of all the groups – generally from councils or housing associations. Families in this group are the most deprived in our analysis and are highly likely to lack consumer durables and be behind on bill payments, and have very limited work history in poorly paid jobs. They have the lowest skills of the five groups, and are more likely to be physically and mentally unwell. Despite living in supportive neighbourhoods, they are the most disengaged from community life.

Managing mothers This entirely single parent group makes up the smallest proportion of low-income households with children (8 per cent of the total). They are slightly older mums with older children. The majority feel they are 'getting by', as they lack some consumer durables but are generally not deprived or behind in paying bills because of their sophisticated budgeting strategies. Though some work part time, half of this group are currently out of work, but their qualification rates are good; most see unemployment as a temporary problem and they have a strong work ethic. They have few physical health problems, but a third have mental health needs (often associated with guilt about being unable to provide for their children).

Working age households without children

New poor This group makes up over a quarter of childless working-age households. Households tend to contain multiple adults, often headed by people in their 50s. They fare well across the vast majority of indicators: most own their homes, many have a degree, and they report little financial stress, but between half and two-thirds are unemployed. The neighbourhoods they live in are the least deprived of the poverty groups. It is possible these households might be middle-aged couples with adult children still living at home, who have been made redundant recently or who are self-employed and experiencing a dip in income associated with the economic downturn – similar to the grafters.

Insecure singles This group accounts for just over one in five of all childless, working-age households with low incomes. These are overwhelmingly single adult households, predominantly renting their homes, whether in private or social housing. Members of this group tend to be deprived and lack consumer durables, and are often behind with paying their bills. They report struggling financially, live in the most deprived neighbourhoods of our groups, struggle to heat their home, do not have a car and are usually unemployed. They have the lowest skills levels of all of the childless groups and have the highest rates of physical and mental health problems.

Stressed groups Just over one in five childless working-age households are in this group. These households are likely to be non-white British, and are primarily social renters living in the most deprived areas. Almost all contain multiple adults, and are at higher risk of overcrowding and fuel poverty than other groups. Qualification levels vary but employment levels are low, and those in this group are most likely of all childless groups to be behind in paying their bills. These households may well be extended family, blighted by low employment and without the coping strategies associated with those families able to budget effectively and manage on very low incomes.

One man bands This single adult group accounts for 15 per cent of childless working-age households with low incomes. Their typical profile is non-white British males under 30 who are renting. Although they have some of the lowest incomes and lack material goods, they manage to pay their bills on time and feel they are generally coping financially. Physical and mental health problems are not prevalent in the group, and there is an even spread of qualifications, but more than half of this group are out of work. Although they lack family support, they are active in the community and are politically engaged.

Empty nesters This is the smallest group, accounting for just over one in ten childless working-age households. These single adults are mainly in their 50s with some of the lowest incomes, but they say they are not struggling financially. They are equally likely to be unemployed as to be employed full time. They are comparatively well off in many domains; all own cars, most own their homes and live in less deprived neighbourhoods, and many have a degree. This group are likely to be either recently early retirees, leaving well-paid jobs perhaps through early redundancy, or divorcees with savings and assets to draw from.

Pensioner types

Stoics This is the largest group, accounting for around a third of pensioners living on low income. The group consists of mainly female pensioners living alone, and contains the oldest pensioners. They lack typical consumer durables, and do not have a car. They also have high levels of physical health problems among pensioners with low incomes. At 48 per cent of the group, their level of home ownership is second lowest of all of these poverty types. They also have the lowest level of family support. Despite their material deprivation and very low income, most report that they are not struggling financially and very few are behind in paying their bills or report struggling to heat their homes.

Coping couples This is the second largest pensioner group (23 per cent of pensioners living with low incomes), and

consists mostly of pensioner couples, who have very low incomes, but experience very little material disadvantage (because of their savings and assets). Almost all own their own homes (unmortgaged), and at least one car. They have some physical health issues, but very few mental health issues, are highly qualified and tend to live in the least deprived neighbourhoods. They have good, regular contact with their families, and are interested in politics. This group is likely to consist of outgoing, active and articulate couples who have healthy savings as a result of having had good jobs in their working years. However, their very low incomes suggest that (like many older people) they are under-pensioned, which is what places them below the poverty line.

Cheerful grans Around one in five low-income pensioners experience this type of poverty. This group all live alone, and are mostly women. They lack some durables, but – like coping couples – live in less deprived neighbourhoods, and are likely to own their own homes. They are much healthier (mentally and physically) than the other pensioners with low incomes, and are the most likely of the pensioner groups to own a car. They are the second most likely group to have a high level of qualification, and are most likely to say they are living comfortably.

Trouble shared This group accounts for around 18 per cent of pensioners living on low income, consisting of couples who lack some durables and live in more deprived neighbourhoods. Although their income (like that of comfortable widows) is slightly higher than that of other groups and they are on or around the poverty line, they are more likely to rent (27 per cent of them do). Therefore they have lower disposable income, perhaps explaining why they have greater material disadvantage and report experiencing more financial difficulties than others with similar incomes. They also have the second worst mental health of all the pensioner groups. It is likely that those in this group were less able to accumulate assets during their working life (because of lower qualification

levels), and they are less likely to own a car, home and material goods than the 'coping couples'.

The left alone This is the smallest pensioner group (8 per cent of low-income pensioners). Those in this group live alone and have very low incomes. They are extremely deprived on material and lifestyle measures, and most likely to struggle to pay their bills and keep their homes warm. Along with the stoics, they are most likely to rent, with half renters and half owners. Within the group there are extremely high rates of physical and mental health problems, the highest of all of the pensioner groups. They live in deprived neighbourhoods and, unsurprisingly, report that they find it difficult to cope financially. On the other hand, they also experience the highest level of social support from their neighbours among the pensioner groups.

The implications of these findings
Child poverty
Because of our time and resource constraints, we decided to carry out qualitative research only in the child poverty cohort. This gave us an additional level of insight with which we could develop an overview of a toolkit for each of the five types. These explained how each group might be identified through their service use or appearance on datasets, and how existing resources might be harnessed to help each group before any new resources were committed.

When considering the grafters, we focused on the importance of predistribution to make work pay, and the need for lighter touch forms of welfare to work to assist the recently redundant who already had the skills, experience and motivation to get back into the labour market quickly. We also reflected on the value of start-up and small business support for those in all sub-groups who would be well placed to start their own businesses, and discussed the risk that this group might develop more entrenched poverty if left on very low incomes for too long.

We identified the shortage of appropriate and affordable housing for the big families in the full house families group, in places where jobs were easier to find, and discussed the need to invest in the deprived areas in which these families live. Harnessing these families' dissatisfaction with their local areas could be one way of encouraging community activity. Childcare was also an important service for this group.

We identified social housing providers as key partners in reaching and helping pressured parents. They should be co-opted as a partner in supporting health needs, improving employment outcomes and tackling material deprivation. Joint working opportunities might be to bring adult skills, health outreach and debt and budgeting advice services into social housing locations to help this group tackle their problems on all fronts simultaneously. Improving carer support services, with the objective of improving carers' own health and facilitating their access to employment, is another key investment priority.

Vulnerable mothers need simultaneous and coordinated delivery on all fronts – health, education, housing, childcare and debt advice – and new investment might best be spent in bringing existing services together or in creating a new combined service, for example, bespoke employment support for those with poor skills and mental health needs, which also offers crèche services. The type of joined-up health, adult education and childcare on offer from children's centres would be very useful for this group.

Managing mothers find childcare a barrier to working more hours or pursuing job progression, so encouraging employers to link to childcare for older children is one way of joining up thinking to help this group in particular. Using employers to encourage healthy living and mental health (stress, anxiety and depression) support and ensuring wages properly reward managing mothers – who have long work histories and good qualifications but may be working part time – will also be key.

The policy activities we outline for the child poverty groups might be seen as falling into two categories. The first form of intervention is economic, linked to childcare, predistribution to make work pay, and some more rapid but lighter touch assistance to help well-skilled and experienced groups return to work quickly before their hardship becomes entrenched.

These groups (the grafters and managing mothers, and potentially the full house families) might be deemed the 'easiest to help', but in the current policy environment and with limited resources, they are often overlooked by policymakers because they are seen to be 'getting by'. We would suggest, given the state of the economy, that the Government should not be complacent about these groups' ability to lift themselves out of poverty unassisted. The ability to 'get by' may not last forever, and our findings clearly suggest there is a link between more entrenched poverty and wider social problems.

The second form of intervention is economic *and* social, requiring multi-agency and whole family support for pressured parents and vulnerable mothers. The complex interaction between cause and effect for these groups on low income makes it very difficult to select one issue to resolve – poor housing might feed poor health, which undermines the ability to work, which exacerbates poor mental health, which in turn lowers job prospects. It is important, therefore, to tackle simultaneously these groups' multiple and varied problems, which is resource intensive.

Nonetheless, resources have already been committed to undertaking such work with these groups. There is a clear policy focus – not to mention a commitment by most public services and charities – to help the most in need, as a result of prioritising the deployment of scarce resources. We suggest that evidence-based and strategic coordination of existing interventions – which these findings could help guide – will facilitate a more effective use of resources and achieve greater bang for the Government's buck.

Households without children and pensioner households
While we do not have the qualitative insights in these two cohorts as we do with our child poverty types, the quantitative data still provide us with a rich source of information with which we can begin to create a picture about these groups' lives.

To draw out a fuller range of policy implications and suggestions for how each type might be tackled it would be necessary to undertake a more robust analysis.

Nonetheless, some early indicators arising from these findings are already interesting – for example, there seem to be similar themes across all three cohorts – at least one newly poor-type group appears in each cohort, as do very similar single and couple households (either both coping better, or both struggling). The same conclusions made about child poverty – the difference between economic and social problems dividing the groups – can be applied to the other two cohorts, and there is a clear division between the 'copers' and 'strugglers' in facing multiple problems and in their poor resilience in the face of hardship. It seems clear that people's earlier lives dictate their ability to cope with poverty in the present – their work history, qualifications, earlier income and life experiences all build financial and emotional resilience to low income – and by examining people's earlier lives it is possible to predict those households not only 'at risk of poverty' but also those least resilient and therefore most at risk of the negative effects of poverty.

Employability was a crucial issue for almost all childless households, with four of the five groups having no significant barriers to work other than a difficult labour market disadvantaging those with less experience or fewer qualifications, or living in areas with scarce jobs. Only one – the insecure singles – could be seen to require substantial help with education, health and housing before they were able to work. This chimes with the fact that childless household poverty is the fastest growing poverty group in the country – with people being pushed below the poverty line because of the economic climate. Although some in these groups have the assets and resilience to cope with a temporary period of low income before lifting themselves out of poverty, others (particularly those who had hitherto been just above the poverty line) might struggle with a lack of assets, skills and the coping strategies needed to fend off hardship while on very low incomes. Given the state of the economy and sluggish labour market, the Government should again not entirely overlook those groups who may be 'coping' – for now – with their low incomes, but consider different types of support needed that focus on economic rather than social needs per se.

For the pensioners on low income, we can distinguish between those with low incomes but higher assets, which are currently protecting them from the excesses of deprivation and hardship; those with some material deprivation but who are coping; and those with significant deprivation who are not coping well at all. These also seem to correlate with decreasing levels of physical and mental health. It will be important to ensure that those currently doing better than other groups are able to delay hardship and poor health through healthy ageing and financial products to protect their assets or sustain their incomes into later old age. Simply increasing the income of the more vulnerable groups will be insufficient, and tackling health and housing issues are perhaps – for this cohort – more important.

The challenges of local data

In section 2 we reflect on the way in which poverty has been tackled at local level. In the past local authorities have been charged with carrying out programmes requiring local joint working and information sharing. These include Total Place and family intervention projects, most recently the troubled families agenda and the Child Poverty Strategy.

A major barrier to success in all of these programmes has been the limitations of local level data. In order to replicate our national analysis at local level, a local authority would need a household panel survey of the local population, covering all 20 indicators in our model. The only one we know of is the Newham Household Panel Survey. Alternatively, a local authority would need to bring together a variety of different datasets in order to cover the indicators, and these would all have to be matched at household level. In reality, it would be possible for a similar level of insight to be generated

by using a narrower set of the most important indicators, which we identify in chapter 3.

Nonetheless, even with a narrower and more manageable range of indicators, the collection and matching of data to identify specific households is phenomenally difficult. On the practical side, local datasets are very rarely broken down to household level. They might variously be borough wide, at ward level, at super-output level, or at postcode level, and matching these different sets of data to any common level – let alone to household level – is almost impossible without a significant amount of resources. Yet such an exercise is a central tool of almost everything local authorities try to do – from combating poverty and other social problems to better targeting their services and commissioning strategies.

Even if this endeavour were practically possible (and we describe in chapters 6 and 7 some impressive attempts to achieve this level of household level understanding), local authorities are often thwarted by data protection and data-sharing regulation. In order for organisations to share data that enable another organisation to identify their subjects, consent must be given by those subjects. This makes the sharing of data to identify households very difficult, as consent is hard to get after (sometimes years after) the information has been collected.

However, the Social Justice Strategy, identifying the need to tackle troubled families at local level, has paved the way for overcoming data-sharing problems. In the Welfare Reform Act 2012 the Government changed the legislation to allow the Department for Work and Pensions (DWP) to share its data on benefits claimants with local authorities, with the express purpose of identifying troubled families.

Local practitioners have been requesting this information from the DWP for years in order to tackle local issues, often related to poverty, but their requests had been refused. Now that the Government has changed the law in this one instance, it is possible that further opportunities for similar sharing might arise. Our findings suggest that such

data sharing is vital if local authorities are to tackle poverty effectively. A lack of household level data is a fundamental obstacle to multi-agency working to help families in poverty, and the Government cannot expect to meet national poverty targets while local authorities are stymied by poor data and obstructive data-sharing rules.

The findings from our pilots

In the absence of local data at household level covering all 20 of our indicators, we established a local methodology in order to identify local groups on low income, marrying available data with our national analysis.

To do this, with the help of the local authorities of Camden, Wirral and Wakefield, we gathered all of the data available relating to as many of the 20 indicators in our poverty model as possible, and identified the indicators which seemed particularly problematic for the area (for example, much higher than average sickness benefit claims; much higher than average overcrowding). We then compared these flagged indicators with our poverty groups and isolated where there was the largest overlap.

For example, if local authority A has:

· small households with single parents
· problems of social isolation
· high rates of mental health problems
· mixed skill rates and mixed labour market

it is likely that local authority A will have managing mothers in the area.

The limitations of this approach means we can only state that local authority A is likely to have managing mothers, and we do not know if it has predominantly managing mothers or if it has a low-income group that is wholly different from all of the national average groups we have identified.

We then tested this process by asking the local authorities and a range of local agencies and service providers whether the

groups we thought would be common locally (based on local data) 'sounded like' the types of families they encountered and helped daily.

We then refined further these local types with these stakeholders' insights before using them to develop local toolkits – suggesting ways in which such groups might be identified, targeted and helped with existing and new local resources and joint working, based on the toolkit model outlined above.

This process gave us invaluable insights into how local authorities currently work to tackle poverty – we saw at first hand the challenges associated with matching local data, and found most the data available were from the 2001 Census or other out-dated studies, and that often this provided borough-wide averages. In spite of this, we heard of pioneering ways in which local authorities were overcoming these challenges by developing small-scale data collection projects as well as comprehensive matching strategies to provide as detailed an insight as was possible with the data available. We also heard of several instances of multi-agency working, between health, education, housing and children's services, and across the statutory and voluntary sectors, where it was recognised that these agencies were supporting the same families and an opportunity to reduce duplication and coordinate efforts arose. Nonetheless, it was clear that an evidence-based strategy to guide a more systematic approach to joint working and information sharing would be the best way for local authorities to tackle local poverty and the wide range of social problems connected to it.

While replicating our national analysis would be beyond the reach of most local authorities because of the limitations of local data and data sharing, we realised that local authorities could follow the process we undertook in the local pilots – bringing together different local data sources, matching them to national groups and then using the policy and practice insights described in this report to guide local thinking on how to help different local groups on low income. Moreover, this could be achieved using a less comprehensive range of

indicators: instead of attempting to gather data across the full 20 indicators we have used – which might be a challenge – local authorities could use a smaller group of 'key indicators', identified as the most prominent in our quantitative analysis and highlighted through our qualitative analysis. These could then be verified using local authorities' own investigations with front-line practitioners in the statutory and voluntary sectors.

This more limited process would still generate valuable local insights to create a local toolkit, which would in turn make more effective use of ever more limited resources by reducing duplication of effort and highlighting the most effective ways of tackling poverty. It would also raise awareness of poverty as a multi-faceted problem: rather than poverty being one organisation's responsibility, a toolkit could create a sense of joint 'ownership' of tackling poverty locally, with each agency – from the GP to the nursery to the urban planner – recognising they have a role to play.

Conclusions and recommendations

This project sought to create a new model to analyse poverty in a multi-dimensional way, which would be helpful to encourage policymakers and practitioners to move from a one-size-fits-all approach (usually focusing on improving income) to a more nuanced and multi-faceted approach – based on the lived experience of people actually on low income. The model is an entirely new way of understanding poverty, and is in itself of as much interest as the findings it has generated.

Recommendations

First and foremost, we recommend that the findings generated by this model are used to guide the Child Poverty Strategy and the approach used to influence poverty strategies at national and local level. Looking at different 'types' of poverty, requiring different approaches to tackle them, is an entirely new way of thinking about poverty and can prompt new joint working and partnerships in agencies that might have not considered coming together before. Those groups

identified in our analysis as having multiple social problems and entrenched low income require substantial and resource intensive help. Nonetheless, policymakers cannot overlook those groups that appear to have fewer disadvantages, for example, the 'recently poor' groups (new poor and some of the grafters), as targeted and timely intervention might prevent those in these groups from developing a wide range of social problems. Our analysis suggests that a short-term response and longer-term 'invest to save' strategies are both needed.

Second, we recommend that the model itself is given careful consideration by national policymakers as they consult on a new multi-dimensional measure of poverty. This model, and the process we went through to develop it, will be instructive to teams in the DWP and Child Poverty Unit as they develop their own measure. We believe our analysis will be compatible with and act as a way of enriching the measure the Government decides on following the consultation process.

Third, we urge the Government to help local authorities tackle the problems they encounter with the collection and sharing of local data. Many local authorities and practitioners felt the funding to assist them with this had been discontinued, which was thwarting their attempts to tackle a range of social and economic problems. As greater responsibility is passed to local authorities for the wellbeing of their local populations, the Government must ensure the infrastructure is in place to enable them to do this. A central plank of this infrastructure is a databank providing a clear understanding of the nature and scale of local problems in order to inform strategy. Currently, the Census provides the most comprehensive source of data for local authorities on their local populations, and in our pilots the 2001 Census was often the most up-to-date source available for comparing local areas' performance across the majority of our poverty indicators. People we spoke to in many local authorities throughout our research were awaiting the next wave of Census results, which is being released in stages over the next year.[12] This will provide all local authorities with recent data relating to a wide range of poverty indicators, but

confidentiality prevents personal information or addresses being disclosed, making it difficult to use as a means of combating poverty at household level.

Fourth, and related to our third recommendation, we suggest that the Government should use the Welfare Reform Act 2012 data-sharing powers related to troubled families as a test run to help local authorities tackle child poverty. We recognise that troubled families are a priority, given the resource intensive nature of the support they require. Nonetheless, it is important to remember that troubled families belong in a wider in-poverty population, that poverty underpins these families' difficulties, and that other groups on low income need assistance too. Without the tools to identify these households, local authorities will be unable to provide the early help needed to prevent the disadvantage of these families becoming entrenched and national child poverty targets will remain out of reach.

If the Government wants to tackle the social problems associated with entrenched, multiple deprivation and hardship, it cannot only focus on families in this situation at the present time. It must also look ahead at those groups which are at risk of these problems. Our findings help identify those groups nationally, and suggest ways in which existing resources might be combined to help these families in the most cost-effective way. But only with improved data sharing will local authorities be able to identify and reach these households to deploy effective strategies.

Poverty in perspective: in graphics

Example ring of indicators
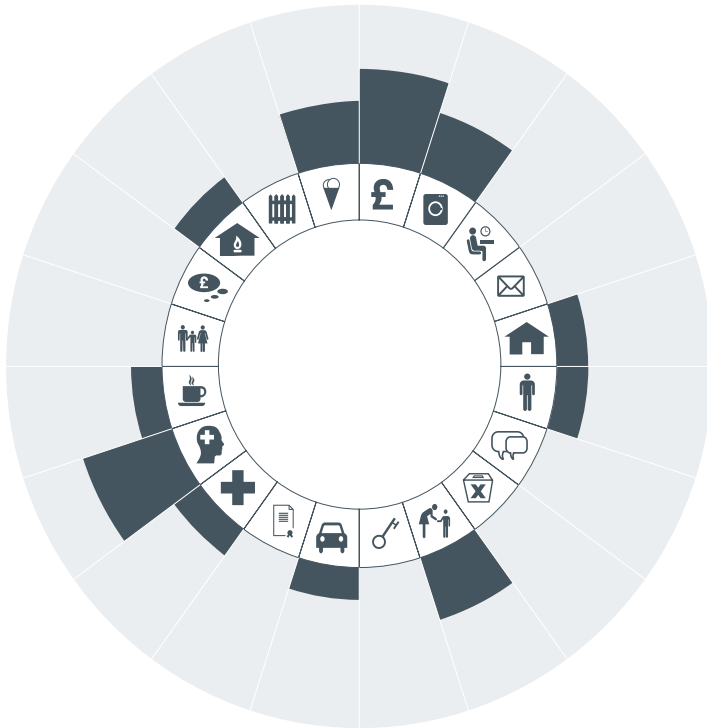
Renting

Low participation

Lacking material goods

Lone adult households

Carer for a child

Low/no qualifications

Lifestyle deprivation

Overcrowding

Low income

Behind on bills

Limited car access

Lack of family support

Physical ill health

Mental ill health

Deprived neighbourhood

Financial worries

Disinterest in politics

Lack of neighbourhood support

Low/no employment

Fuel poverty

The poverty types

This research aims to improve our understanding of the different ways that people experience poverty – and the different combinations of factors that are involved in these different experiences.

By looking at the interaction between 20 separate indicators (spanning health, education, housing, social and material resources), our analysis has identified 15 main 'types' of poverty that are experienced in Britain today, across three separate life stages: families with children, childless working age adults, and pensioners.

Developing this understanding of the combinations of features that occur in low-income households is not just an academic exercise – it can help drive a better response to poverty by improving our understanding of the ways that people experience poverty by examining their lives as a whole, and providing an evidence base for bringing different services together to tackle poverty more effectively, rather than treating separate issues in isolation.

Guide to reading the graphics

The graphics contained in this section give an overview of each of the 15 poverty types in turn, grouped according to the three life stages that we examined (working age parents, working age non–parents and pensioners). Each graphic shows how that particular group experiences all 20 of the dimensions of poverty, to give an overall impression of their lives. The sample diagram below explains how to read the information contained in the graphics.

· The ring of indicators corresponds to the 20 poverty dimensions (see overleaf).
· Each of the bars extending outwards shows how strongly associated each indicator is with that poverty type. A longer bar indicates a stronger association.

Interactive versions of the child poverty graphics can also be found on this website www.demos.co.uk/poverty/index.

Child poverty – Grafters
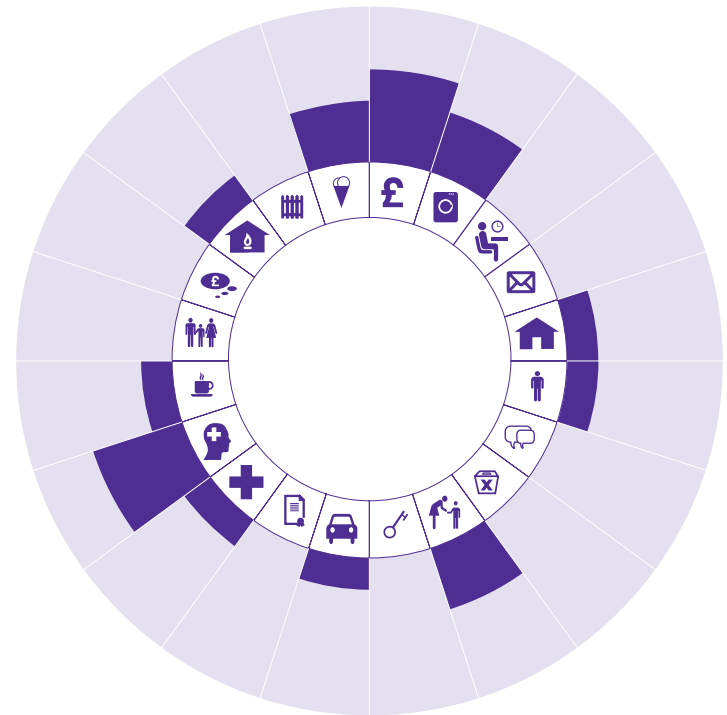
This group makes up the largest proportion (31 per cent) of families in poverty.

The vast majority of households in this group contain more than one adult. Households in this group have low incomes but perform well across the other indicators. They tend to be homeowners, have high levels of qualification and employment, are not short of material goods, and report that they are coping financially. They live in the least deprived neighbourhoods and are likely to be engaged in community activity and politics.

Child poverty – Full house families

Child poverty – Pressured parents
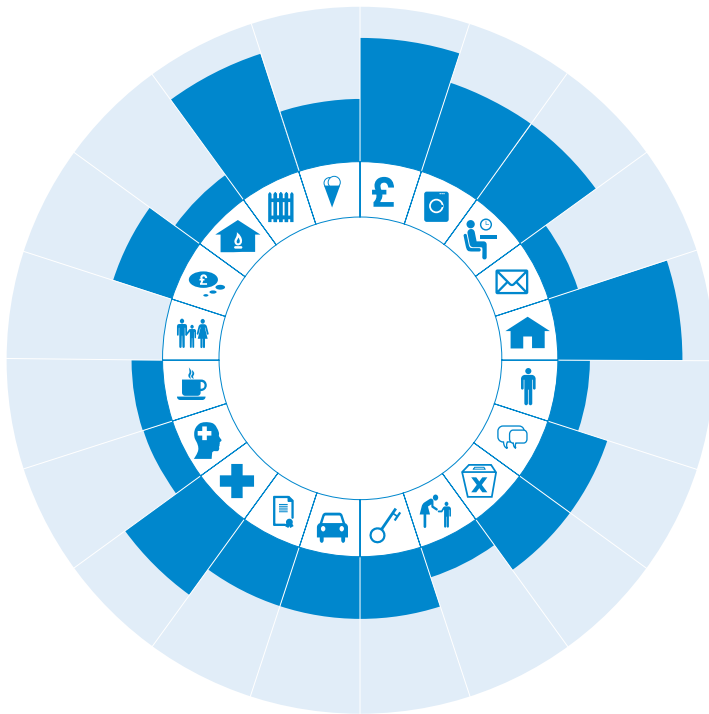
Just over one in five families in poverty (22 per cent) fit into this group.

These tend to be very large households, containing multiple adults and young children. Members of this group are more likely to be from Asian and other BME backgrounds, many without English as a first language. They are able to heat their homes and are not behind on bills, but housing conditions are more likely to be overcrowded. Their qualifications range from low to degree level, but their rate of employment is low, with only one or two family members in work. The live in deprived but reasonably supportive neighbourhoods, and get more support from families.

This group accounts for just over one in five (21 per cent) of families in poverty.

Living predominantly in rental properties – more often social than private – these families have a range of incomes but are extremely deprived on lifestyle as well as material measures. They tend to have poor physical and mental health, low skills, and low rates of employment. They are also more likely to be caring for a child with a health condition or disability.

Child poverty – Vulnerable mothers

Child poverty – Managing mothers
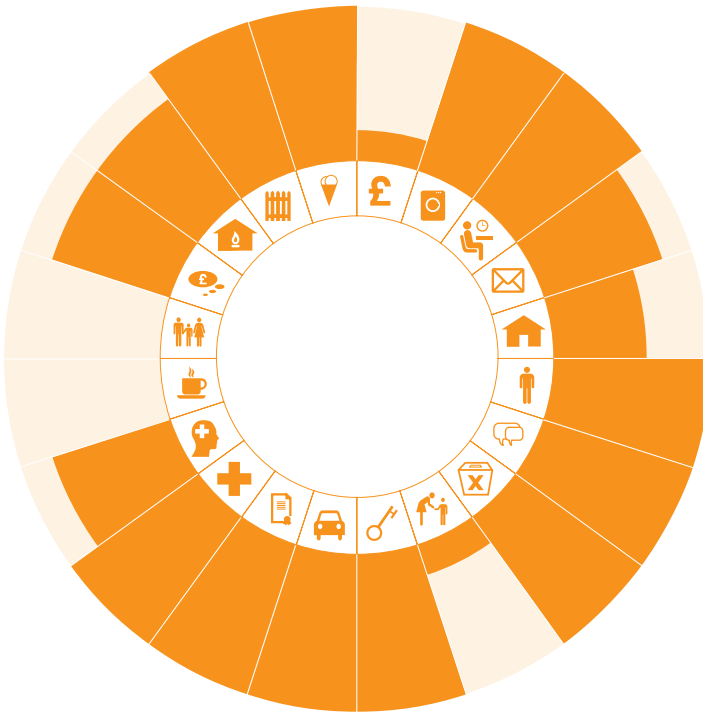
Just under a fifth of families in poverty (18 per cent) fall into this group.

Group members are extremely likely to be single parents – mostly young single mothers under 24, with babies and/or young children. They are most likely to be renting – generally from councils or housing associations. Families in this group are the most deprived and are highly likely to lack consumer durables and be behind on bill payments. They are also the most likely to want, but not be able to afford, to make regular savings. Despite living in supportive neighbourhoods, they are the most disengaged from community life on other indicators, such as political engagement and community participation.

This entirely single-parent group makes up the smallest proportion of poor families (8 per cent of the total).

The majority feel they are 'just about getting by' financially. They lack some consumer durables but are generally not deprived or behind on bills. Though some work part-time, half of this group are currently out of work. They have few physical health problems, but a third have mental health conditions.

Working age without children – New poor
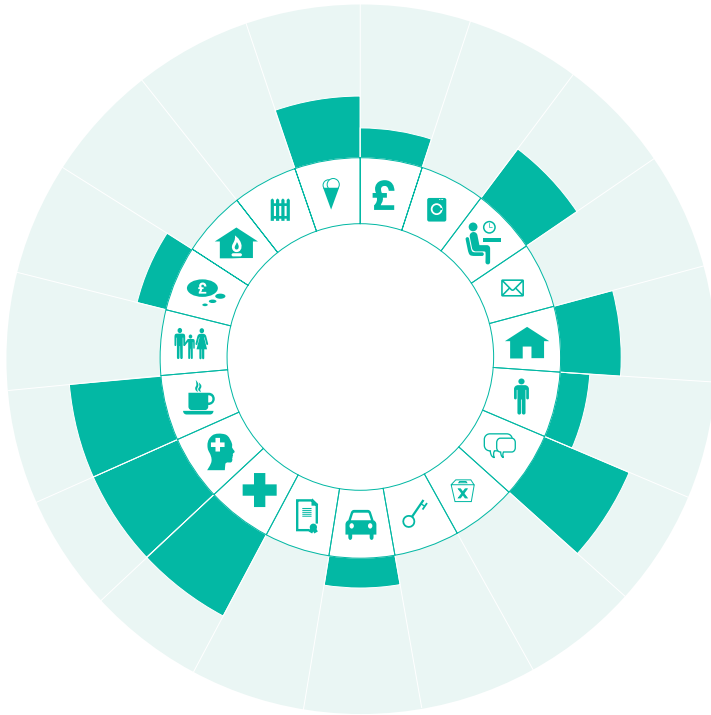
Working age without children – Insecure singles

This group makes up over a quarter of childless working age households.

Households tend to contain multiple adults, often headed by people in their 50s, though there are also some under 30s. They fare well across the vast majority of indicators. Most own their homes, many have a degree, and they report little financial stress. The neighbourhoods they live in are both the least deprived and the least supportive, and this group scores low for participation.

This group accounts for just over one in five of all childless, working age households in poverty.

These are overwhelmingly single adult households, predominantly renting their homes, whether in private or social housing. Members of this group tend to be deprived and lack consumer durables, and are often behind with paying their bills. They report struggling financially, and the majority are unemployed. They are highly likely to experience physical and mental health problems. They live in the most deprived neighbourhoods and receive mixed levels of support from neighbours and family.

Working age without children – Stressed groups
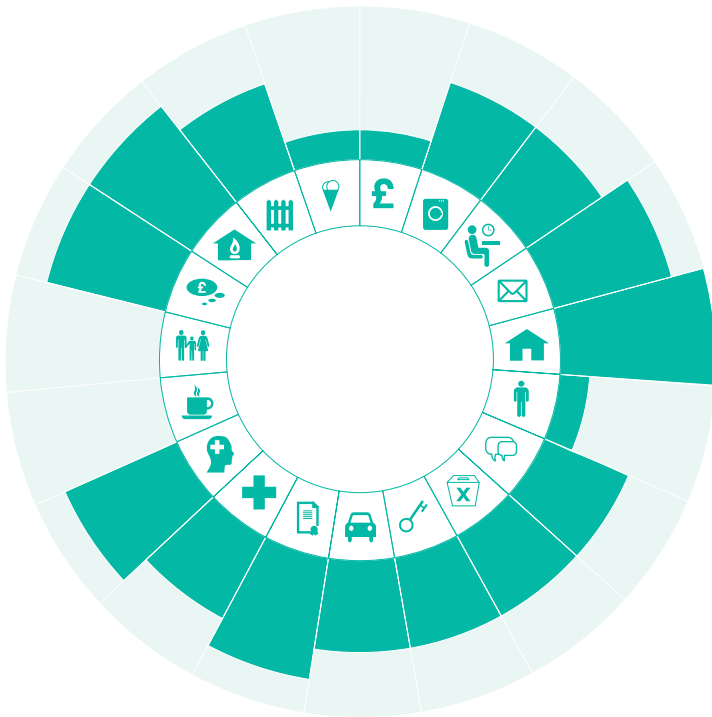
Working age without children – One man bands

Just over one in five childless working age households are in this group.

 These households are more likely to be non-White British, and are often social renters. Almost all contain multiple adults, and they are at higher risk of overcrowding and fuel poverty. Qualification levels vary in this group but employment levels are low, and households struggle to pay bills or to afford some goods. They have reasonable physical health, but are much more likely to have a mental health condition. While both neighbourhood and family support networks are strong, group members tend towards low participation and have little interest in politics.

This single adult group accounts for 15 per cent of the childless working age lifestage.

 Their typical profile is non-White British males under 30. Although they have some of the lowest incomes and lack material goods, they manage to pay their bills on time and are generally coping financially. Physical and mental health problems are not prevalent in the group. There is an even spread of qualifications, but more than half of this group are out of work. Although they lack family support, they are active in the community and are politically engaged.

Working age without children – Empty nesters
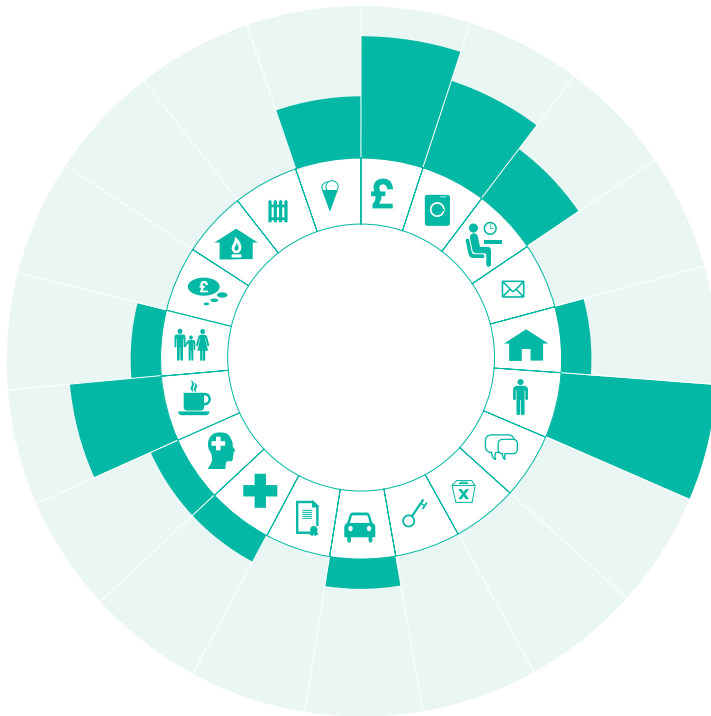
Pensioner poverty – Stoics

This is the smallest group, accounting for just over one in ten childless working age households.

These are single adults with some of the lowest incomes, but they are not struggling financially. They are equally likely to be unemployed as to be employed full-time. They are comparatively well off in many domains; all own cars, most own homes and live in less deprived neighbourhoods, and many have a degree. What they lack in neighbourhood support they make up in frequent contact with their families and community participation.

This is the largest pensioner poverty group, accounting for around a third of pensioners living in poverty.

The group consists of pensioners living alone, is mostly female, and contains the oldest pensioners. Though they are not missing out on common life experiences nor are they behind on bills, many are lacking typical consumer durables. Half are renters. They have high levels of physical health problems. Most have no qualifications, and are living in more deprived neighbourhoods. Despite this, most report that they are not struggling financially.

Pensioner poverty – Coping couples

Pensioner poverty – Cheerful grans
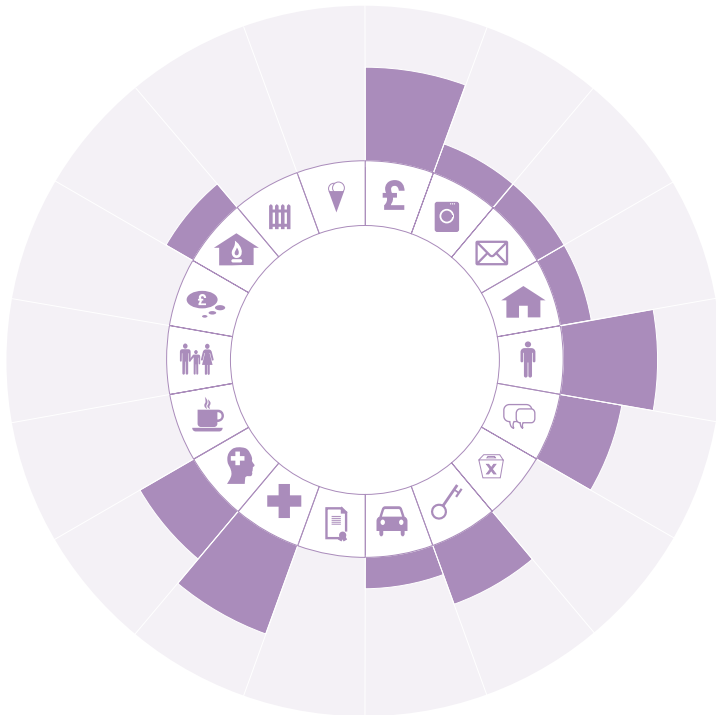
This is the second largest pensioner group (23 per cent of low-income pensioners).

This groups consists mostly of pensioner couples, who have extremely low incomes, but experience very little disadvantage. They are likely to own their homes, and at least one car. They have some physical health issues, but very few mental health issues, are highly qualified and tend to live in the least deprived neighbourhoods.
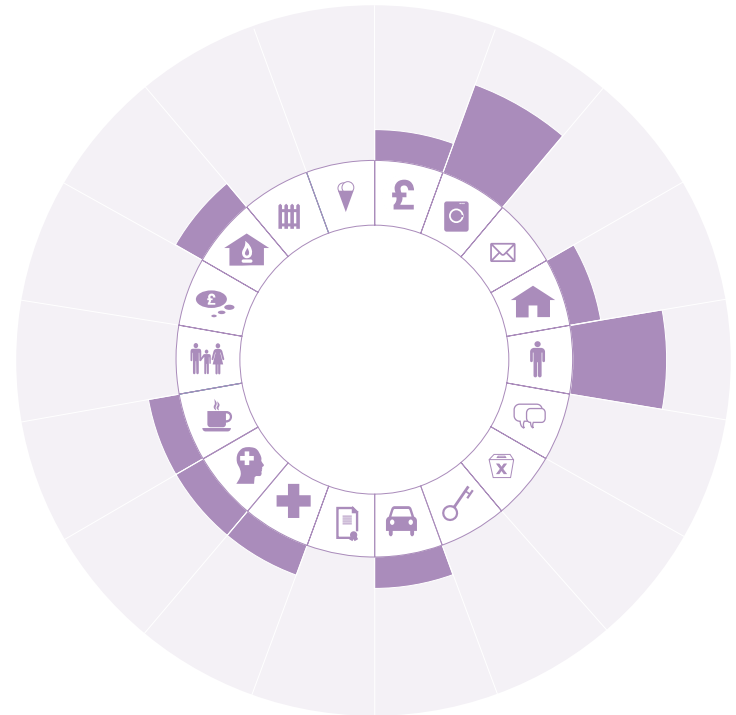
Around one-in-five low-income pensioners experience this type of poverty.

This group mostly consists of female pensioners, and all members of the group live alone. They lack some durables, but live in less deprived neighbourhoods, and are likely to own their own homes. They experience much better physical and mental health than other pensioner types.

Pensioner poverty – Trouble shared

Pensioner poverty – Left alone
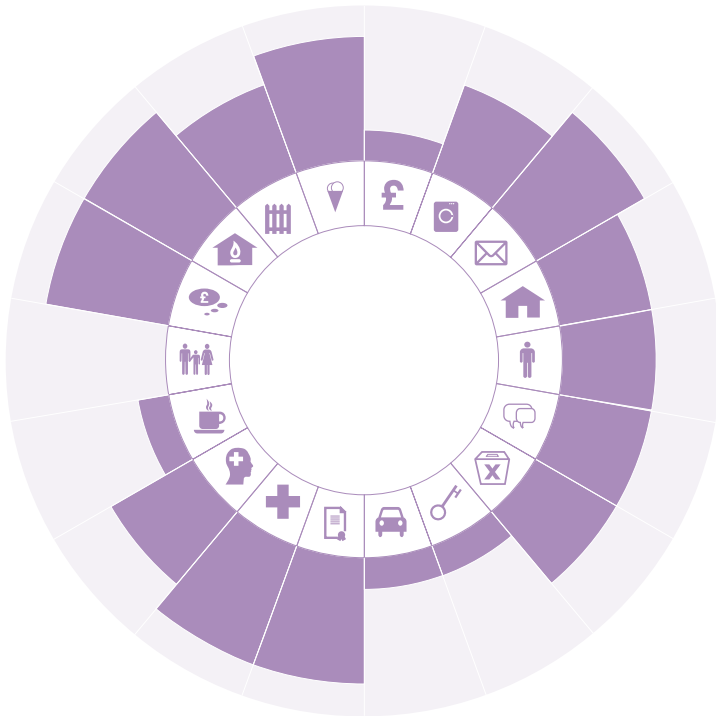
This group accounts for around 18 per cent of pensioners living in poverty.

This is a group consisting of pensioner couples – they are lacking some durables, and live in more deprived neighbourhoods, where they are more likely to own their home than rent. They report experiencing financial difficulties, and have some physical and mental health problems.
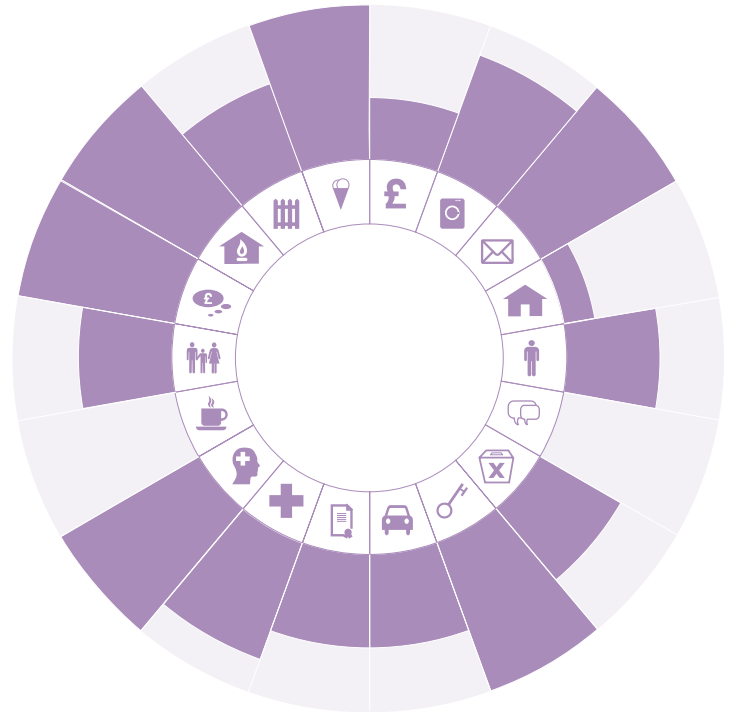
This is the smallest pensioner poverty group (8 per cent of low-income pensioners).

Living alone, this group is extremely deprived on both material and lifestyle measures, and struggle to pay their bills. Half are renters and half owners, they have high levels of fuel poverty. Within the group there are extremely high rates of physical and mental health problems and low levels of qualification. Members are struggling financially and live in deprived neighbourhoods.

SECTION 1:
National Poverty

1 Policy background

Introduction

Poverty is the most pressing social problem of our time. It is widely recognised that millions of people in the UK today have a poor quality of life, poor housing, few job prospects and little or no protection from the financial shocks which are all too common in the current economic climate, such as redundancy or increases in fuel or food prices. Policymakers also recognise that millions of people suffer from poor educational and health outcomes, and a wider problem of poor life chances. And yet, while no one denies the scale or seriousness of the problem, few agree on how to define it. These problems have variously been defined as poverty, inequality, social exclusion, life chances and other terms – which have only served to undermine the coherence of policies and strategies to tackle them.

Rather than seeing these various social problems as part of a larger, interrelated whole, policymakers have in the past attempted to address one or two of these issues within specific departmental remits.

The current government, having launched the Field review of poverty and life chances, Graham Allen's review of early intervention, and the Social Mobility Strategy, seems to be pursuing a similar course of action.[13] Yet this approach may leave many individuals and families – particularly those experiencing multiple disadvantages – with disjointed and ultimately ineffective support. It also fails to recognise that the whole is greater than the sum of its parts – that the combination and interaction of several forms of disadvantage is an important phenomenon in and of itself, which cannot be tackled by addressing one of the other component disadvantages in isolation.

Considering social disadvantage in all its guises in a holistic way requires a single, coherent definition and

description. Of all the terms in use, 'poverty' is perhaps the broadest and most accessible. However, poverty itself is a problematic concept. While several attempts have been made to define and measure it, no single, universally accepted definition has emerged, nor consensus on how it should be measured.

As a result, poverty in the UK is defined and talked about differently by different political traditions at different times – but it is overwhelmingly focused on a measure of income. We know that around 10 million people – around a sixth (16 per cent) of the population – in the UK live in households with below the 60 per cent low-income threshold before deducting housing costs, which is the widely accepted level of poverty in the UK today. There are around 2.3 million children growing up below the poverty line before taking into account housing costs.

Yet this narrow approach has a number of disadvantages. The lived experience of those on low income is much more than a monetary phenomenon. It is a complex, multi-dimensional experience, which involves people's health, housing, educational and social opportunities, and other factors. As outlined above, some of these will be recognised in isolation as part of the life chances or social exclusion agendas, but it is the cumulative experience of multiple aspects of poverty that has the greatest impact on people's quality of life. Therefore a definition based on income alone is far too narrow, and as a result, is likely to:

· underestimate the full impact of poverty in the UK on people's wellbeing and quality of life
· fail to recognise different forms of poverty – which may include low income, but may be exacerbated by other factors (for example poor health) – and the cumulative impact of several forms of disadvantage that a person might experience
· treat those defined as 'in poverty' as a homogenous group, rather than considering sub-groups whose members may be facing multiple disadvantage and may therefore find it more difficult to escape poverty
· critically limit the way in which poverty is addressed – a narrow, income-based definition will inevitably result in a narrow, income-based solution

Our review of evidence, the findings of which were published in our report *3D Poverty*,[14] suggests that this last point has been particularly problematic, as the most obvious income-based 'solution' to poverty – employment – has led to an increase in in-work poverty with fewer attempts to ensure that those in low-paid and low-skilled jobs can improve their position through improving skills, financial capability, housing stability and so on, or to boost wages relative to living costs. Again, this demonstrates how policymakers tend to separate a particular aspect of the problem (low income) and address it in isolation, critically undermining its effectiveness in alleviating poverty as they overlook other closely related issues.

The predominant income-based definition of poverty has an additional weakness – it is poorly understood by the public and policymakers. As our primary research with the public demonstrated, the definition of poverty as applying to those who have 'below 60 per cent of median income' cannot be translated into real-life circumstances or visualised. In short, while families recognise when they are struggling financially, few people understand what having less than 60 per cent of median income, and therefore being technically 'in poverty', involves in real life. Therefore people in those groups which are in poverty (according to the 60 per cent measure) may not be easily identified by the front-line practitioners or third sector organisations set up to help them.

This report is the culmination of a stream of work which began with the publication of *3D Poverty* in 2010.[15] This report explored how the public and policymakers perceived the current way in which we measure poverty in the UK, the level of understanding of the relative and absolute poverty lines, and opinions of other measures that are already available in the UK (for example material deprivation, social exclusion and disadvantage measures) as well as multi-dimensional measures of poverty used in other countries.

We concluded that while the current relative poverty line is important for its transparency and ease of use, it is not

sufficient to develop policies to tackle poverty. We realised there remained a significant gap in the field for an accessible and usable analytical tool to understand poverty – one that:

· recognises the importance of multiple dimensions of poverty and the fact that they interact with one another at a household level, to either mitigate or exacerbate the negative effects of poverty
· is easily understood by the public, policymakers and practitioners because it resonates with 'real life' – it can be easily visualised as different lifestyles, rather than an abstract or numerical concept
· most importantly, can be used to help create a tool to combat poverty

This report presents such a model, which Demos and NatCen have been developing for over a year. This new model is unlike other multi-dimensional measures and analyses, in that we have applied a set of 20 indicators to a large household panel survey (Understanding Society: The UK Household Longitudinal Study, covering 40,000 households) and identified which combinations of indicators cluster most frequently together. We are not redefining poverty, or measuring it in a new way. Instead, we are applying a new model of analysis to the low-income population (using the existing income-based poverty line) to better understand the lived experience of poverty and generate new insights into how to tackle it. We are now able to describe 15 distinct types of poverty, characterised by a unique interaction of 20 indicators, across three cohorts: households with and without children, and pensioner households.

We have also developed a new website to present our findings in a more accessible way, which can be found at www.demos.co.uk/poverty/index. NatCen's report *Exploring Multi-Dimensional Poverty: A research methodology to create poverty typologies* presents in greater detail the findings from the quantitative analysis of Understanding Society and the related qualitative study.[16]

Before presenting the findings of this analysis and the implications for policy and practice, we begin with a brief overview of the policy background in which we began our work, and which has developed over the course of this project.

Poverty trends

Despite rising slightly immediately before and during the 2008 recession, poverty – particularly child poverty, defined as poverty in a household where a child or children are living – has generally been falling in recent decades. Box 2 explains the poverty thresholds used most widely by the UK Government.

Box 2   **The poverty thresholds**

The poverty line most widely used by the EU, the UK Government and politicians is 60 per cent of the median income before taking into account housing costs. Therefore, when people talk about the number of people in poverty they are usually referring to the population who live on incomes below this line.

However, there are several other lines also in use to provide additional insight – for example, the measures 70 per cent and 50 per cent of the median income are also used, as are lines before and after taking into account housing costs to identify disposable income. This has changed over time, with different definitions of relative poverty being used. The commonly accepted definitions were, until recently:

· *relative income poverty: households living below 60 per cent of median income, before taking into account housing costs*
· *absolute income poverty: households living below 60 per cent of the median income in 1998/99, uprated each year in line with prices*

However, the Child Poverty Act 2010 updated the absolute poverty line to be households living below 60 per cent of the

median income in 2010, uprated each year in line with prices. In 2010, the relative and absolute poverty lines in the UK were the same. The Child Poverty Act also introduced a further line when assessing the level of child poverty: 'A combined income and low-income benchmark: households living below 70 per cent of the median income and in material deprivation.'

Figure 2   **Poverty trends for UK population, 1998/9 – 2010/11**
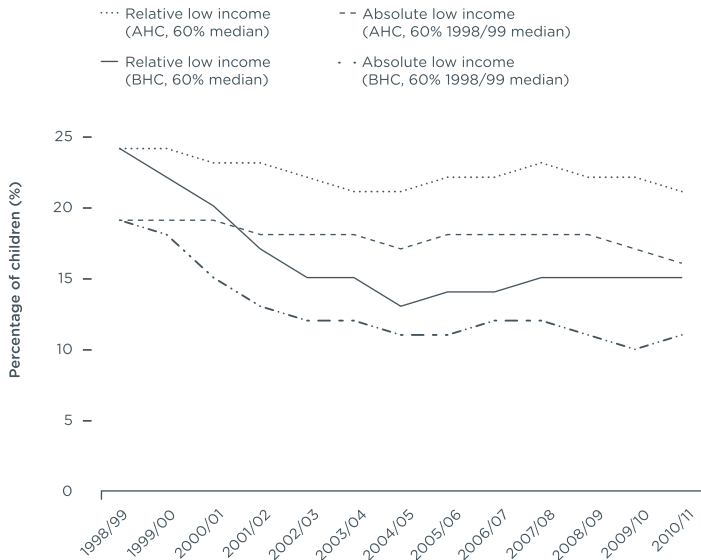
Source: DWP, *Households Below Average Income*, 2010/11 [17]

Figure 2 shows how income poverty has changed in recent years. The number of individuals classified as living in poverty rose dramatically from the mid-1980s, peaking in the early 1990s before beginning to decline. Between 1997/98 and 2004/05, the Labour Government under Tony Blair is credited with overseeing the longest year-on-year decline in poverty since the Institute for Fiscal Studies (IFS) consistent time series began in 1961.[18] In the three years approaching the financial crisis of 2008, levels of poverty rose – since 2008/09, relative poverty has fallen for three consecutive years.

Successive governments have made the focus of their efforts to combat poverty eliminating child poverty, which measures the number of children living in households below the 60 per cent of median income threshold, and it is worth a separate exploration of figures relating to child poverty (see figure 3).

Figure 3   **Poverty trends for children in the UK, 1998/9–2010/11**
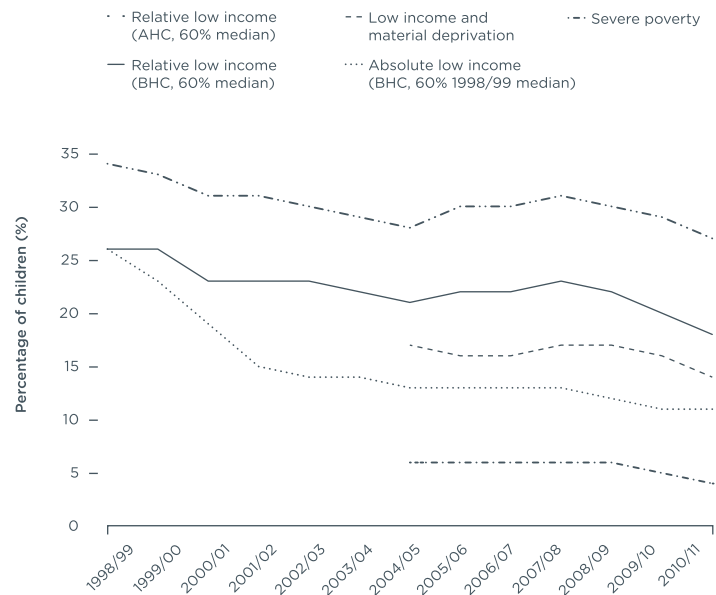
Source: DWP, *Households Below Average Income*, 2010/11 [19]

In 2010/11, 2.3 million (18 per cent) of children were living in relative poverty before taking into account housing costs, and 3.6 million (27 per cent) after taking into account housing costs; both of these figures are lower than the previous year, the third successive year-on-year decrease.

Digging below these figures to explore the characteristics of those families experiencing poverty reveals that the number of children in poverty living in households where at least one adult member is in work is increasing. The Joseph Rowntree Foundation's *Monitoring Poverty and Social Exclusion* series for 2008/09[20] found that, for the first time, more than half (58 per cent) of all children in poverty were living in households where at least one adult was in work – despite unemployment rising over the same period. This proportion has continued to rise and by 2010/11 had reached 61 per cent.[21]

This is a worrying figure for the Coalition Government, whose rhetoric around work and poverty suggests that the two are mutually exclusive. However, in March 2012, a report published by the Building and Social Housing Federation showed that 93 per cent of new Housing Benefit claims made between January 2010 and December 2011 were made by households where at least one adult was in work (279,000 out of 300,000 extra claimants).[22] This suggests that the Government will be unable to reduce the welfare bill simply by moving more people into work.

In other groups, there has been a significant decline in pensioner poverty over the past few years, which is now at its lowest level since 1984, following a sharp rise during the late 1980s. In 2010/11, 2 million pensioners were living in poverty before taking into account housing costs (17 per cent), and 1.7 million after taking into account housing costs (14 per cent).

The group that has fared least well is working-age adults without dependent children. Relative poverty among this group has been creeping up over time, and in 2009/10 reached its highest level ever recorded (since 1961). Relative poverty levels among childless adults of working age remained broadly unchanged in 2010/11, showing only a very slight decrease on the previous year. In 2010/11, there were 3.3 million working-age adults in poverty before taking into account housing costs (14.6 per cent) and 4.5 million after taking into account housing costs (19.7 per cent).[23]

The poverty outlook

Despite recent falls in the number of people living in poverty, there is some concern that current government policies will have the effect of pushing more people into poverty in the medium and long term. A study carried out by the IFS, looking ahead over the next decade to forecast levels of child and working-age poverty, predicted that relative child poverty would fall in the short term before rising in 2012/13 and continuing to rise to reach 24 per cent in 2020/21.[24] This suggests that the Government is likely to miss the relative child poverty target specified in the Child Poverty Act (10 per cent by 2020/21) by a considerable margin.

The IFS's analysis considered the impact of all announced benefits and tax policies, including the Universal Credit, and found that although the Universal Credit would act to lift 450,000 children and 600,000 working-age adults out of relative poverty by 2020/21, over the same period it will be cancelled out by the impact of tax and benefit changes. The report concludes that 'there can be almost no chance of eradicating child poverty – as defined in the Child Poverty Act – on current government policy'.[25] Table 2 shows the relative poverty forecasts of the IFS for years 2009/10 to 2020/21.

Table 2 **IFS relative poverty forecasts between 2009/10 and 2020/21**

Relative poverty (before housing costs)	Children		Working-age parents		Working-age adults without children	
	Millions	%	Millions	%	Millions	%
2009/10 (actual)	2.6	19.7	2.3	17.1	3.4	15.0
2010/11	2.5	19.3	2.1	16.6	3.5	15.0
2011/12	2.5	19.2	2.2	16.7	3.6	15.1
2012/13	2.6	19.6	2.2	17.0	3.7	15.1
2013/14	2.8	21.6	2.4	18.3	3.8	15.5
2014/15	2.9	22.0	2.4	18.5	3.8	15.3
2015/16	2.9	22.2	2.4	18.5	4.0	15.9
2020/21	3.3	24.4	2.6	20.0	4.9	17.5

Source: Brewer et al, *Child and Working-Age Poverty from 2010 to 2020*[26]

Changes in public perceptions of poverty

In the past two decades public attitudes towards those living in poverty have hardened. Research into shifts in attitudes since the early 1990s shows that the public holds mixed views about poverty and its causes, with rising concern about the rich–poor divide emerging alongside a hardening of attitudes towards people in poverty chiming with the political rhetoric of the day.

This was not always the case. In 1983 the Breadline Britain survey on poverty and social exclusion noted that: 'since the mid-1970s people seem to have become more sympathetic to the plight of the poor'. The most popular reason given for people living in need in the 1983 survey was 'too much injustice', selected by a third of the candidates: 26 per cent said it was because 'it's an inevitable part of modern progress', and 23 per cent because of 'laziness and lack of willpower'. This contrasted with answers given to the same question in 1976, when nearly double (43 per cent) chose laziness and lack of willpower as the main reason, and only 10 per cent chose injustice. By 1983, however, 57 per cent were saying that the government was doing too little to 'help those who lack those things you have said are necessities'. Support for reducing inequality was high, with 74 per cent agreeing that the rich–poor gap was too great, and 63 per cent in favour of higher taxes on the rich.[27] The 1990 Breadline Britain MORI survey found that the trend of participants having rising sympathy and support for anti-poverty measures had continued: 40 per cent blamed 'injustice' in society for poverty, a rise of 12 per cent, and only 20 per cent blamed laziness or lack of motivation, a fall of 2 per cent on the 1983 figure and 23 per cent on the 1976 figure. More than two-thirds (70 per cent) thought the government was doing too little for the poor, a rise of 13 per cent from 1983. The study also found that 'the more interviewees lack necessities, the more they are likely to blame injustice and the less to blame laziness'.[28]

Evidence from the British Social Attitudes Survey shows that support for welfare benefits and redistribution policies has decreased over the past two decades, despite an increase in the belief that inequality is too great. The 2009 Survey found that over half of people thought that benefits were too high, and that this was preventing people from looking for work. Only 23 per cent of people thought that benefits were too low under the Coalition Government, down from a third at the start of Labour's tenure. The rich–poor income gap was thought to be too wide, with only 20 per cent saying the pay gap was about right.[29] Similarly, in 2010 the Survey found that only 27 per cent thought the government should spend more on welfare benefits for the poor, a decrease of 31 per cent since 1991. The number of people concerned about inequality was up from 63 per cent in 2004 to 78 per cent,[30] but only 36 per cent supported policies to redistribute wealth, compared with 51 per cent in 1989.[31] In the latest British Social Attitudes Survey, 54 per cent of people thought unemployment benefits were too high, an increase of 35 percentage points on the 1983 figure. Although three-quarters thought the income gap is too high, only 35 per cent thought the government should do more to redistribute income.[32] Strikingly, the 2011 survey found that only 30 per cent of English and 40 per cent of Scottish people think that taxes should be raised to improve health, education and social benefits, down from 60 per cent in both countries a decade earlier.[33]

Decreasing support for welfare and redistribution has been accompanied by an increasing stigma around poverty. The 2010 British Social Attitudes Survey found that support for reducing income inequality decreased when words such as 'poverty', 'poor' and 'redistribution' were used directly in the questions.[34] In 2009 a Joseph Rowntree Foundation study on drivers of attitudes to inequality found that participants' attitudes were more negative towards people on low incomes than towards the 'rich', which the report linked to the belief that opportunities are widely available to those who are motivated (69 per cent agreed), and that benefit recipients do not go on to contribute to society (46 per cent thought this).[35]

The latest British Social Attitudes Survey found that negative attitudes towards the poor have increased: more than one in four people attribute poverty to 'laziness', compared with 15 per cent in the mid-1990s;[36] 63 per cent thought that parents who 'don't want to work' were a reason for child poverty, with 15 per cent saying it was the 'main reason', the

second highest answer after parents having an 'alcohol, drug abuse or other addiction'.[37] (It should be noted that support for reducing child poverty is strong, with 82 per cent of survey respondents saying it was 'very important' to reduce child poverty, and 79 per cent saying this was a task for central government.[38]) When asked about the reasons for poverty, 38 per cent of participants in 2011 thought that it is an 'inevitable part of modern life',[39] up from 34 per cent in 2008 and 32 per cent in 2003.[40] This has been a consistent response since the survey began, suggesting a level of either apathy or pessimism regarding the anti-poverty agenda.

Fighting poverty: the policy context

In the 'prequel' to this report, *3D Poverty*,[41] we considered the effectiveness of the policy response to poverty from 1997 until the report's publication in December 2010. We will briefly summarise policy directions during this period, before focusing on the new developments that have taken place since we published *3D Poverty*.

Approaches to tackling poverty, 1997–2010

Poverty was placed firmly on the political agenda by the previous Labour Government after it was elected in 1997, and in 1999 Prime Minister Tony Blair made the historic pledge to halve child poverty by 2010, and eradicate it completely by 2020.[42] This pledge set in motion a series of policies aimed at improving the incomes of families with children and supporting children from disadvantaged backgrounds to fulfil their potential.

The primary mechanism used by Labour to achieve this was changes to the tax and benefits system. Several reforms were aimed particularly at families with children – including the introduction of the working families tax credit, replaced in 2003 by the child tax credit and working tax credit. These tax credits supplemented the support offered through the benefits system. During its time in office, Labour redistributed £134 billion through tax credits.[43]

At the same time, in 1998 Labour introduced a series of New Deal welfare-to-work programmes – the precursor to the Coalition's Work Programme. These were targeted at different groups (for example young people aged 18–24, lone parents, disabled people), with the aim of helping people back to work by providing training, volunteering opportunities and work placements to the long-term unemployed. The New Deal made it possible for the first time for the government to suspend benefits and impose sanctions on jobseekers who refused an offer of work, or refused to participate in the New Deal.

In addition to tax credits and the New Deal, which had the explicit aim of raising incomes, a third initiative of the Labour Government, though conceived by the Treasury, had a less financial remit. The Sure Start programme was launched in 1998 with the intention of improving the life chances of children in disadvantaged neighbourhoods through a combination of childcare, early years education, health and family support. In the long term, the Government hoped that Sure Start centres would improve children's employment prospects later in life, and break intergenerational cycles of poverty and social exclusion.[44] Sure Start local programmes were situated in areas of high deprivation, but offered services to all children within their catchment areas, regardless of income. In 2005, the centres shifted to local authority control, and have since been run as Sure Start children's centres. The latest wave of the National Evaluation of Sure Start, published in 2012, assessed the impact of Sure Start on a cohort of seven-year-old children and their families, who had previously been assessed at an earlier age, and identified improvements in parenting skills and maternal wellbeing as an effect of Sure Start. However, the evaluation has found that the programme has so far had no significant effect on educational attainment, child health or behaviour.[45] Despite this limited success, the ideas of early intervention and prevention to tackle root causes of poverty and disadvantage have been picked up enthusiastically by the Coalition Government.

Labour also made steps to improve the way that poverty is monitored and measured. The annual series Opportunity for All,

first published in 1999, set out a range of indicators against which progress on tackling poverty and social exclusion at all ages can be measured – stating, 'There is no one single measure of poverty or of social exclusion which can capture the complex problems which need to be overcome.'[46] The Opportunity for All series used 59 indicators in total, covering educational attainment in children, health, housing, worklessness, income, adult qualifications and inequality. When the indicators were reviewed in 2007, the data showed improvements on 34 out of the total of 59 indicators since the baseline in 1997 – with seven remaining broadly constant, and six showing regression (12 showed no clear trend in either direction).[47]

In 2002, the Labour Government launched a consultation on child poverty measurement – the consultation set out four options for measuring child poverty – multi-dimensional headline indicators along the lines of the series Opportunity for All, an index combining these headline measures, a single headline measure of 'consistent poverty' (defined as combined low income and material deprivation), and a core set of indicators measuring low income and 'consistent poverty'.[48] The findings were reviewed in 2003 – consultation responses showed strong support for measuring material deprivation alongside income, as well as for a 'tiered' approach, measuring poverty on several levels.[49]

Drawing on these consultation findings, in 2009, the Government (then led by Gordon Brown) introduced a Child Poverty Bill to enshrine in law four separate targets to eradicate child poverty. The Child Poverty Act 2010, which received royal assent six weeks before the 2010 general election, had the backing of all the political parties.[50] Its four targets (to be achieved by the 2020/21 financial year) were mainly focused around income, but also incorporated a combined measure of low income and material deprivation, as shown in box 3.

Box 3   **The four targets of the Child Poverty Act**

1   *Relative low income: less than 10 per cent of children should live in households where income is less than 60 per cent of the median level.*
2   *Combined low income and material deprivation: less than 5 per cent of children should live in households where income is less than 70 per cent of median income and where they experience a level of material deprivation (as yet undefined).*
3   *Absolute low income: less than 5 per cent of children should live in households where income is less than 60 per cent of 2010/11 median income (accounting for inflation).*
4   *Persistent poverty: an unspecified target number (to be defined before 2015) of children should live in households where income is less than 60 per cent of the median level in at least three survey years.*[51]

New government, new thinking on poverty

Since coming to power, the Coalition Government has attempted to distance itself from Labour's approach to child poverty, which it accuses of relying too heavily on income redistribution methods. The accusation that has been levelled against Labour by the current Government is that it threw large amounts of money at households just below the poverty line, yielding easy results for minimum effort, but without substantially altering families' circumstances, or removing the causes of their low income. In November 2010, Deputy Prime Minister Nick Clegg described this approach as 'poverty plus a pound', saying that this was 'simply not an ambitious enough goal'.[52] Instead, the Coalition Government has shifted the debate towards tackling the root causes rather than the perceived symptoms of poverty – though what exactly classes as a cause and what classes as a symptom remains the subject of debate.

Since the Coalition Government formed in 2010, there have been several important new developments in the battle against poverty. These are the publication of the first national

Child Poverty Strategy in April 2011, and the publication of two independent reviews commissioned by the Government – the independent review on poverty and life chances by Frank Field MP, and the independent report on early years intervention by Graham Allen MP.[53] Drawing on Field and Allen's work, the Government then published its Social Justice Strategy.

The Field review of poverty and life chances
Labour MP Frank Field published the results of his review of poverty and life chances in December 2010. The report, *The Foundation Years: Preventing poor children becoming poor adults*, looked at the nature and extent of poverty, and how this is underpinned by parenting and home environment. He asked, 'How can we prevent poor children from becoming poor adults?'[54]

The two overarching recommendations of the review are:

· to establish a set of life chances indicators to measure progress on making life chances equal for all children
· to establish the concept of the 'foundation years', covering the period from pregnancy to school age (0–5 years) and forming the first of three educational pillars before schooling and further, higher or continuing education.

Contained within these overarching recommendations is a range of suggestions to make the foundation years a funding priority, create a minister for foundation years and develop a long-term strategy to narrow the gap between rich and poor children's outcomes.

Field was specifically tasked by the government within the scope of his review to 'examine the case for reforms to poverty measures, in particular for the inclusion of non-financial measures'. Field's life chances indicators would run alongside the existing low-income measure.

In developing these measures, Field's team looked at measures of life chances used by other countries, particularly Canada and Australia. After shortlisting nine key drivers assumed to impact on children's life chances, the review team commissioned analysis from the University of Bristol of the Millennium Cohort Study (a survey of 19,000 children born in 2000/01) to assess whether the drivers they had selected would be a good measure of life chances. The study found that these drivers were good predictors of children's readiness for school; they explained the gap between the school-readiness of children from low-income households and the average. Therefore targeting and measuring progress on these indicators would help prepare disadvantaged children to achieve once they started school.

These were the nine factors that Field identified as influencing children's life chances:

· child factors:
    – cognitive development at around age three
    – behavioural and social and emotional development at around age three
    – physical development at around age three

· parent factors:
    – home learning environment
    – positive parenting
    – maternal mental health
    – mother's age at birth of first child
    – mother's educational qualifications

· environmental factors:
    – quality of nursery care[55]

Field recommended that the Government set targets on each of these indicators for children at the ages of three and five, so that if any child fell below the target, a range of interventions would be triggered to help raise them up to the target level.

In his review Field does not attempt to downplay the role of income and material deprivation in poverty, but argues that to tackle poverty in the long term, over the course of several family generations rather than several years, more money is

not necessarily an appropriate solution, as it fails to break intergenerational cycles of disadvantage effectively. Field cautions that maintaining the narrow policy focus on income had, in the past, blocked the possibility of finding alternative strategies to reduce child poverty.

A year after publishing his report, Frank Field accused the Coalition Government of ignoring his recommendations – including the key recommendation to introduce a supplementary measure of deprivation focusing on childhood development in the early years. In the face of the Government's unwillingness to adopt the life chances indicators, Field announced that he intends to pilot the schemes in his own constituency of Birkenhead in the Wirral, in order to demonstrate their workability and effectiveness in improving early years outcomes, so that other local authorities can implement it at a later date.[56]

The Allen report on early intervention
Graham Allen MP was tasked with reviewing the Government's approach to early intervention. He published his findings in two separate reports – *Early Intervention: The next steps* in January 2011,[57] and *Early Intervention: Smart investment, massive savings* in July 2011,[58] which outlined how early intervention could be funded.

Allen's review of early intervention chimed with Field's stress on the 'foundation years'. The focus was twofold: on intervening between the ages of 0 and 3 – by which time children's brains are 80 per cent developed – and on preparing older children for parenthood. The report cited much evidence to support the notion that the early years are crucial, for instance that 'a child's development score at just 22 months can serve as an accurate predictor of educational outcomes at 26 years'.[59] It emphasised the benefits of early intervention to support healthy social and emotional development on a variety of outcomes in later life – mental and physical health, education, employment, crime and anti-social behaviour, drug and alcohol misuse and teenage pregnancies.[60]

The report's prime recommendation was the creation of an independent early intervention foundation, using a combination of private investment, charitable donations and local government funding. The foundation would, among other things:

· encourage the spread of early intervention
· improve, develop and disseminate the evidence base of what works
· provide independent and trusted monitoring of the effectiveness of programmes[61]

Echoing the Field review, Allen also called for the foundation years (defined as ages 0–5, including pregnancy) to be established as a key policy focus, and given the same weight as primary and secondary education:

What parents do is more important than who they are. Especially in a child's earliest years, the right kind of parenting is a bigger influence on their future than wealth, class, education or any other common social factor.[62]

Allen endorsed Field's three child-related life chance indicators (see above): cognitive development at age three; behavioural, social and emotional development at age three; and physical development at age three.[63]

The Child Poverty Strategy
This emphasis on the underlying non-financial drivers of low income has become an integral part of the Coalition Government's attempt to tackle poverty. Its Child Poverty Strategy, published in April 2011, followed Field in arguing that poverty should be understood in more than just financial terms. In *A New Approach to Child Poverty: Tackling the causes of disadvantage and transforming families' lives* the words 'cause' and 'driver' are mentioned 36 times.[64] The effect of focusing on *causes* is to move the focus away from income – if poverty means low income, then low income itself cannot be a cause of

low income, except in the sense that it is self-perpetuating. Low income is described as a *symptom* of poverty, while the key drivers of poverty are located in wider social factors – such as 'lack of opportunity, aspiration and stability'. The document criticises the previous government for pouring resources into short-term income-based solutions, rather than focusing on what drives low income.

In its strategy, the Coalition Government states explicitly that it remains committed to meeting the requirements of the Child Poverty Act 2010, including its goal of eradicating child poverty by 2020.[65] However, it also presents an expanded set of 15 indicators, which it will use to monitor child poverty. The first four of these indicators are carried over from the Child Poverty Act, with an additional indicator for severe poverty, which combines material deprivation with a household income of 50 per cent or less of the median. The remainder cover a range of educational outcomes, from teen pregnancy to low birth weight.

It distinguished between the 'persistently poor', who experience low incomes for a sustained period; the 'transiently poor', who experience it only briefly; and the 'recurrently poor', who 'cycle' in and out of poverty. It cautioned that over half of working people who cross the 60 per cent of median income threshold and thus stop being 'poor' end up in the 60–70 per cent bracket, while two-thirds of working people entering relative poverty come down from the 60–70 per cent bracket.[66]

The document outlined an 'intergenerational cycle of poverty': children growing up in workless environments tend to achieve less educationally and aspire less to gain employment; adverse childhood experiences can have a detrimental effect; children on free school meals tend to be lower achievers; and poor health is related to low socio-economic status.[67]

The Social Justice Strategy
These themes were continued in the Government's Social Justice Strategy. The strategy document *Social Justice:*

Transforming lives, published in March 2012, aspires not just to lift people out of income poverty, but also to tackle the underlying problems in their lives.[68] In his foreword, Iain Duncan Smith stated that the Government's vision was based on two key principles: prevention, with targeted interventions starting with the family, but also including schools, the welfare and criminal justice systems; and the 'second chance society', where people are supported by the state to turn their own lives around.

The report strongly emphasises individual responsibility and presents

the new set of principles that inform the government approach: a focus on prevention and early intervention; concentrating interventions on recovery and independence, not maintenance; promoting work for those who can while offering unconditional support to those who cannot; recognising that the most effective solutions will often be designed and delivered at a local level; ensuring that interventions provide a fair deal for the taxpayer.[69]

The report describes different types of disadvantage that interact with one another under six headings: worklessness, family, education, drug and alcohol dependency, debt and crime, and states:

We need a new approach to multiple disadvantages which is based on tackling the root causes of these social issues, and not just dealing with the symptoms… Because problems are often interrelated and mutually re-enforcing, we are clear that support from different organisations needs to be joined-up, to tackle the root causes of a person's problems, and to be sustained over the long-term.[70]

However, the Strategy has been criticised for being

mainly concerned with providing a framework to 'mend broken Britain' and a means to tackle welfare dependency. The Strategy claims that social justice will be achieved through 'life change' of individuals, and appears to be focused on the 120,000 so-called

troubled families, promoting the concept of work as the sole means to tackle social justice.[71]

The troubled families agenda, which the strategy introduced, is explored in detail in chapter 6.

Recent developments:
consultation on a new child poverty measurement

In December 2011, Secretary of State for Work and Pensions Iain Duncan Smith stated that targets set by the previous Labour Government to completely eradicate child poverty by 2020 were 'set to fail', arguing that the income-based approach was too narrow. He described income as an imperfect measure of wellbeing, with the latter dependent on a much wider range of negative outcomes (such as poor health, education, life chances and family security). This sentiment was echoed by Prime Minister David Cameron, who has repeatedly emphasised family structure and parenting skills as the foundations for opportunity in later life.

At the time, these comments reflected a potential sea change in poverty measurement, which was confirmed when, in June 2012, Iain Duncan Smith announced that the Government would be formally consulting on developing a new measurement of child poverty this autumn.

Speaking on the same day that poverty figures for 2010/11 were released, showing that the Government had failed to meet its target to halve child poverty by 2010 (the target was missed by 600,000 children), Duncan Smith said that the Government would be seeking a new poverty measurement, which would include income but 'do more to reflect the reality of child poverty in the UK today'.[72] The consultation on this measure is due to be published at around the same time as this report is launched (November 2012). Elsewhere in his speech, Duncan Smith talked about 'the multiple and overlapping problems that underpin social disadvantage' and that need to be addressed in order to tackle child poverty – suggesting that the Government is keen to embrace a more multi-dimensional approach to poverty, which measures how different factors impact on children's life chances. This announcement provides a welcome backdrop to the publication of this report.

2 Methodological decisions taken in this project

Methodology

A detailed methodology for this project can be found in the sister report, published by NatCen, *Exploring Multi-Dimensional Poverty: A research methodology to create poverty typologies.*[73] Below we provide a brief overview of the five main phases of the research:

· selection of poverty indicators
· analysis of the Understanding Society dataset
· verifying the findings with follow-up interviews
· developing a toolkit
· testing the analysis at local level

Selection of the poverty indicators

As described in chapter 1, this project was prompted by the findings of our previous study, *3D Poverty.*[74] We concluded that the current one-dimensional understanding of poverty was transparent and a useful rule of thumb, but certainly not sufficient as a tool to combat poverty. Its focus on income to the exclusion of all else has influenced successive governments to focus on work or income replacement as the only solutions to alleviate poverty. The solution, we realised, was to develop a more nuanced multi-dimensional analysis of those in poverty to capture the complex lived experience of poverty.

Before we began building a model capable of such analysis, we had to address first principle questions: how do we define poverty? What indicators should we include?

There are no definitive answers to these questions. There is no consensus over how to define poverty or which features capture poverty – some take a narrow financial view, believing poverty is only defined by one's income, while some at the

other end of the spectrum talk about a whole host of features including the absence of social networks and 'cultural poverty'.

Our own selection of indicators – defining what we believed constituted poverty and on which we would base our analysis – would need to take this wide range of opinions into account and create a well-balanced selection of indicators. We decided to triangulate our indicators from three sources:

· expert stakeholders
· the public
· the academic literature

We compared the indicators used by existing multi-dimensional measures of disadvantage and poverty with the polling carried out for *3D Poverty*, and with the results of a series of workshops we carried out with a range of different stakeholders, including experts from national and local government, practitioners from front-line services, campaigners, academics, and representatives the media.

Predictably, each of these sources provided us with a slightly different understanding of what poverty is and what indicators ought to be used to define it. Nonetheless, there was a significant overlap between the three, and this is where we focused our analysis.

Once we had a group of possible indicators, we consulted the Bristol Social Exclusion Matrix (B-SEM) as a widely recognised and highly regarded multi-dimensional measure in this field. We grouped our list of indicators under the three B-SEM domains of exclusion – resources, participation and quality of life – to ensure we had a balance of indicators in each broad domain. This showed an even spread across the three domains. Finally, we went to our data source – the Understanding Society dataset – to match the questions asked in the survey with our indicators.

These are the indicators we used in our analysis:

· financial:
  – income
  – behind on bill payments
  – subjective financial situation

· work and education:
  – employment (in working-age households)
  – education

· material deprivation:
  – lacking consumer durables
  – lifestyle deprivation (missing out on social and leisure activities)
  – car ownership

· housing:
  – tenure
  – overcrowding
  – fuel poverty

· health and wellbeing:
  – physical health (of parents)
  – mental health (of parents)
  – child health (in households with children)

· local area and social networks:
  – neighbourhood deprivation
  – level of support from neighbours
  – level of support from family
  – participation
  – interest in politics

· type of household:
  – whether household contained a single adult or multiple adults

Our twentieth indicator, whether households contained a single adult (a single parent in the case of our child poverty

types) or multiple adults, helped us to understand family structure, as well as the prevalence of factors like employment or poor health within the adults in a household.

It is important to note that because of the nature of the data collection process (individual surveys) the poverty indicators are, to all intents and purposes, subjective measures. They are assessments of respondents' views of their situation rather than objective measurements, and vary from person to person. For example, the measure 'being behind on bill payments' is not assessed objectively; respondents decide for themselves whether they fall into this category. This is particularly important for certain measures – for example, older people generally tend to respond more positively when asked about their financial situation ('mustn't grumble') than a single childless adult. An individual's view of their present financial situation is also influenced by the level of affluence that they have been accustomed to in the past.

More detail about how we defined our indicators – and the questions selected from Understanding Society to match each indicator – are included in the appendix to this report, and are also documented more extensively in NatCen's report on this research, published separately as *Exploring Multi-Dimensional Poverty: A research methodology to create poverty typologies*.[75]

Inclusion of income

One might assume that the inclusion of income in a multi-dimensional analysis of poverty might be uncontroversial, but this has proven to be a highly divisive issue. On the one hand, some policymakers challenged us to define a 'type' of poverty (characterised by a combination of the indicators outlined above) *without* including low income. However, the 'reality check' of consulting front-line practitioners and members of the public soon discounted this idea as unfeasible. Feedback from policymakers, practitioners and the public strongly indicated that low income would always be a central feature of poverty, though not a sufficient way in which to describe it or to inform policies on how to tackle it. If a family was

experiencing poor health, poor housing, few qualifications and no neighbourhood support, it seemed unfeasible to anyone with experience of working with such families that they would not also be living below the poverty line.

As far as we know, nobody has yet seriously argued that income should be excluded entirely from poverty measurement, in favour of purely non-financial indicators. This approach would not only be counterintuitive, but risks dangerously downplaying the impact that low income has on the quality of life of people in poverty. Living on a low income frequently leads to other problems such as poor health or poor housing, which can in turn act to keep people poor.

On the other hand, people have argued that poverty measurement should *only* include income, and that attempts to widen the measure equate to widening the definition, which in turn moves the goalposts. The Government was accused of just this when Iain Duncan Smith announced that it would be consulting on a wider measure of child poverty during the autumn of 2012.[76] Liam Byrne, the Shadow Work and Pensions Secretary, accused Duncan Smith of 'being in la-la land' and said that 'adding bells and whistles' to the child poverty measure would not enable the Government to escape the fact that too many families were living below the poverty line.[77]

Demos took on board these points and realised that the critical issue when developing our model was to ensure that low income remains central to it. If this is achieved, then we are not moving the goalposts – rather, deepening the net. The Child Poverty Action Group – a staunch supporter of the use of the current relative and absolute poverty line measures – came to a similar conclusion:

We welcome the Coalition's commitment to keeping the income targets and agree that any new ways of measuring child poverty should supplement what we have, rather than moving the goalposts.[78]

With this in mind, our analysis has been structured to ensure low income remains the key indicator of poverty. By using a low-income threshold (70 per cent of median income)

to define our sample within Understanding Society, we have accorded income a higher status than our other indicators, by making it the common (and essential) feature of all our poverty types.

We selected 70 per cent of median income as a measure of 'low income' as this income benchmark is identified in the Child Poverty Act 2010 as the one used when material deprivation is included. As we were going to match low income with a range of other factors (including material deprivation but also housing, education and health issues) we felt the 70 per cent income line was more appropriate that the relative 60 per cent income line, which is used in isolation of other factors. We also felt that a 70 per cent income line would also give us greater scope to explore the lived experience of those on or just above the relative poverty line.

We also found that those below the 70 per cent income line were significantly more likely to experience disadvantages associated with poverty than those above this line. Figure 4 compares the percentage of income-poor households (below 70 per cent median income) and non-income-poor households (above 70 per cent median income) with key indicators from our list. It shows that income-poor households are more likely to have each of the disadvantages. The relationship between income and the disadvantage is strongest where the black bar is much longer than the grey bar. For example, one of the strongest relationships is between low income and worklessness, mainly because the earnings from work are an important element of household income in many households. As is to be expected, the strongest relationships are between income and income-related disadvantages – such as financial worries, being behind with bills, being unable to afford durable items and material deprivation.

This relationship held true across the other two age cohorts – except in two areas among the pensioner group. Low-income pensioners are not significantly more likely to have low levels of family support, or to be behind on paying bills, than their peers who are not experiencing low income. This is possibly because of cultural differences between older

and younger generations – with a higher aversion to accumulating debt among older groups[79] – and the fact that pensioners across the income spectrum tend to receive more support from family members.

Figure 4   **The prevalence of poverty indicators in families above and below 70 per cent of median income**

■ Families with children below 70% median income
■ Families with children above 70% median income
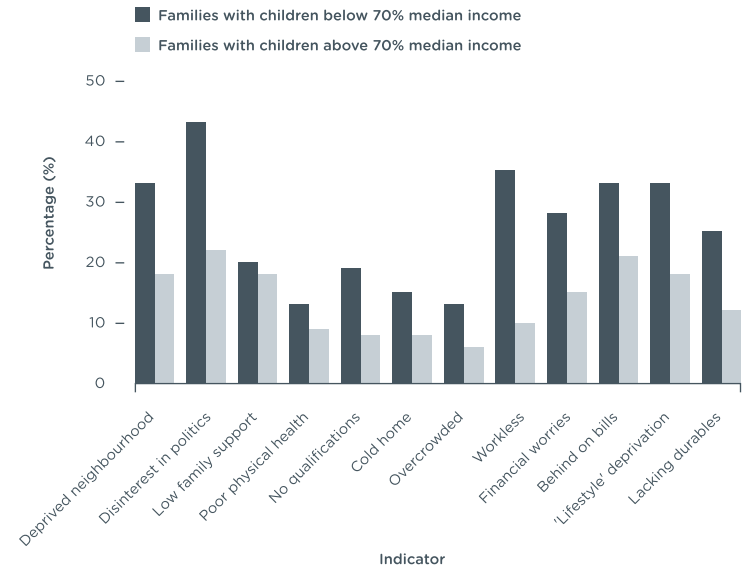
The relationship between low income and worklessness was much stronger among low-income adults without dependent children than among households with children. More than one-third (35 per cent) of income-poor families with children in our sample are workless (compared with 46 per cent of low-income adults of working age without children living in the household), reflecting the fact that the majority of income-poor families with children have someone in work. Lack of work is likely to contribute to the low income of this cohort.

Cause and effect

Something that emerged very quickly from our early consultation on which indicators to include was that it was not always possible to identify which indicator was a cause or symptom of poverty. For example, is someone's poor health a result of their low income, or is it a cause of their low income (because they are unable to work)? Disentangling this web of cause and effect has received considerable attention in the case of poverty, because poverty arises from the convergence of a mix of different things that are generally accepted as social ills – low educational attainment, unemployment and poor health, for example. We recognised that our quantitative analysis would not be able to unpick this as, in reality, the complex interaction of cause and effect varies from person to person. However, our qualitative analysis throws some light on this issue for specific cases within each of the poverty types we identified.

Analysis of the Understanding Society dataset

We applied these indicators to the Understanding Society dataset, a comprehensive panel survey of 40,000 UK households, which replaces the British Household Panel Survey (box 4). To ensure the project focuses on poverty rather than more general multi-dimensional disadvantage, only households with low income are included in the poverty typologies (this decision is discussed further below). As with the government measure of poverty that combines low income with material deprivation, the low-income threshold is drawn at 70 per cent of median income. Furthermore, and again reflecting how poverty is measured by the government, poverty typologies were created separately within three 'life stages': households with children, households of working age without children, and pensioners. Using this definition, Understanding Society contains approximately 3,200 low-income households with children, 3,500 low-income working-age households without children, and 2,000 low-income pensioner households. The 'families with children' life-stage takes prominence in our report given the political focus on child poverty. Hence the description of the families with children poverty types is enriched with evidence from qualitative interviews carried out with households in each poverty type.

Using a latent class analysis, we used a subset of structural equation modelling to find groups or subtypes of cases, 'latent classes', in multivariate categorical data. We then described the poverty types according to which indicators are most common to households in each type, which helps to illustrate the multi-dimensional nature of poverty and gives an additional socio-demographic profile of households.

These formed 15 poverty 'types' (five in each cohort) made up of a proportion of the households below 70 per cent median income in each of the three cohorts. Each type can be characterised by a distinct combination of the 20 different indicators. For each of the poverty types, we can state both the prevalence of each indicator within the group (eg 80 per cent of type X are homeowners) as well as the likelihood that a household in this group will have a particular characteristic relative to the other poverty types in the same cohort. Clearly not every household within a type will have every characteristic in common – and there will be considerable variation between the exact combinations of indicators experienced by individual households within each type. When we describe the types below, therefore, we talk about the likelihood of an individual household experiencing a certain factor. Over such a large number of indicators, this variation does not discredit the types. For example, people in one household may live in social housing, and those in another may own their house, but they fall within the same type because they share enough indicators to be classed as a discrete group.

Our analysis: low income as the 'gateway' to the sample

Figure 5 shows how low income is a common factor among the different poverty groups in this analysis.

Figure 5   **Demonstrative example of how poverty types were developed**

Box 4   **Understanding Society**

Understanding Society is a household panel study, repeated annually with a panel of 40,000 households from across all four countries of the UK – 100,000 individuals in total are represented in the data, across various survey samples. Responses are collected over a two-year period through face-to-face interviews, and questions cover a broad range of areas, including:

- *health*
- *experience of crime*
- *personal finances*
- *raising a family*
- *community involvement*
- *work*
- *attitudes and views (including political attitudes)*

The first wave of the survey was carried out in 2009/10, and data from the first wave was made available in autumn 2011. Understanding Society incorporates and expands the British Household Panel Survey, which ran for 19 years, from 1991 to 2010.

Understanding Society was chosen for this project for the following reasons:

- *The survey contains questions, covering diverse aspects of life, from health to community participation.*
- *The large number of participants allows us to draw a sizeable sample from the low-income population.*
- *Comparable data are held for each household in the study – data are collected and held on an individual household's members and the household as a whole.*
- *The survey is repeated annually, which provides an opportunity to monitor change in the poverty types year-on-year.*

Follow-up interviews
Once we had identified the poverty types in the data, the next step was to verify them and explore some of the dynamics within each type by asking people about their real-life experiences of poverty. Given time and resource constraints, we focused our efforts on the child poverty groups. We selected this cohort over the other two as we knew this had the greatest policy focus (with the Child Poverty Strategy and accompanying targets). Therefore, NatCen carried out a series of 30 two-hour-long depth interviews with families falling into one of the five child poverty types according to our quantitative analysis, and asked respondents about their lived experiences, how different aspects of their lives interacted, how they felt they came to have low income, and how they believed they would best be helped out of this situation.

Sample The main sampling challenge was in identifying a sample frame. An ideal sampling frame would have been the Understanding Society sample, yet following up these participants was not possible. As the study is a panel survey, a key concern is maintaining the sample across multiple waves; consequently, it is rare for qualitative studies to have access to such samples. As an alternative, we used NatCen's British Social Attitudes Survey, a cross-sectional survey that

interviews a different sample of people each year. The Survey collects data on a number of the 20 dimensions used to develop the typology. By running a similar analysis on British Social Attitudes households below 70 per cent median income, we generated a sample frame of around 200 households and identified which type each household was most likely to fall into.

For this particular study, the quantitative typology provided the principal sampling criterion. As these types are tightly defined, a relatively small number of interviews was required to cover the diversity of perspectives within each type – the assumption being that the more ways in which sub-groups are similar, the less their experiences vary. With 30 interviews and five types, we were able to conduct five to seven interviews in each type. In addition to this primary sampling criterion it was also important to ensure some diversity across the sample according to:

· gender
· ethnicity
· age
· the number of children in the household
· living in an urban or rural location

NatCen's methodological report on this research provides further details on this sampling frame and the resulting sample.[80]

It is important to note that although all of our poverty types are defined by their low income based on a quantitative measure, the families we carried out interviews with did not identify themselves as being in poverty, or even necessarily on a low income. Throughout this report, therefore, where we refer to people as having a 'low income', we base this assessment on those people falling above or below a particular income threshold (70 per cent of the median). We have deliberately used 'low income' instead of 'in poverty', as this report is premised on the idea that the two terms are not interchangeable.

Data collection Experienced researchers conducted depth interviews in participants' homes, using a topic guide to ensure consistency of coverage across the interviews. The guide forms part of NatCen's report, but included sections on the household context, defining low income and poverty, the main dimensions related to low income that affected participants' lives and how these dimensions interact. It was important for the participant to lead the discussion on which dimensions most affect their lives in order to help validate the typology, yet researchers ensured that each of the key dimensions were covered by the end of the interview. They used visual aids to help participants reflect on how they understood their standard of living and how it had changed over time.

Analysis NatCen's approach to qualitative data analysis distinguishes between two interrelated but distinct phases of the process: data management and interpretation. The data were managed using the framework method within the software NVivo 9. This first involves creating an analytical framework comprising a series of descriptive themes and sub-themes that are relevant to the research objectives. The second involves generating summaries of each piece of data and attaching each summary to the relevant sub-heading in the framework. The summaries are hyperlinked to the verbatim text from which they are generated to ensure analysts are always able to retain a link to the raw data throughout the interpretation stage. This analytical framework again forms part of the separate NatCen report.[81]

Once the data were managed, an analytical plan was drawn up and analysts conducted a range of thematic and explanatory analyses on the data to answer key research questions. In this study, we analysed data from participants in each poverty type separately and then integrated them subsequently, as it was crucial to obtain a thorough understanding of the experiences of households in each type.

Developing practical applications through a toolkit

The Demos poverty model was designed to be used – we did not want to create an analytical model that would simply tell us something new about poverty, without considering its practical application. Therefore the methodology for our analysis had to be all the more rigorous – as it would stand up to real world conditions. As a result we had to use our collective policy expertise to tease out the policy and practice implications of the quantitative and qualitative findings. It was clear that the response to help each poverty type would be different across policy and practice, and at national and local level.

The multi-faceted understanding of poverty facilitated by our analysis lends itself to a multi-faceted response – several agencies working together in different configurations, to tackle each poverty group holistically. It certainly is not an easy task, particularly when some of the poverty types we identify have combinations of indicators that don't naturally lend themselves to joint working (see chapter 4). For example, it is predictable and not (too) challenging to suggest that health and social care services work together to help someone on low income partly due to a long-term health condition. But what about adult education and social housing? Befriending and debt advice? Some of these less well-known combinations require guidance.

The toolkit is designed to provide such guidance. It helps practitioners and policymakers develop their response to addressing different types of poverty by working through a series of steps to guide their thinking about how they might identify, target and address different types of poverty with existing and new resources, and how to measure progress in these endeavours. We have developed toolkits to guide thinking through the national poverty types in chapter 4.

Box 5   **Tookit**

1   **Description**
The first thing practitioners need to know in order to build a re-sponse to one of the types of poverty is what that group looks like; what combinations of problems are they experiencing? How do they interact? What is the most significant dimension?

2   **Identification**
Practitioners next need to think about how they will recognise and reach these types in their local population – by knowing the size of the group, and the services they are most likely to already be in contact with.

3   **Harnessing existing resources**
At this stage, local practitioners and policymakers need to think about what services are already in place to target people experiencing each type of poverty, and how the dimensions of their poverty can be addressed through existing policies and interventions. In some cases, disparate services can be brought together more effectively to tackle multiple and complex needs.

4   **Committing new resources**
Additional steps may need to be taken to tackle people's problems and improve their quality of life, and help lift them out of poverty through extra services and interventions, new policies and strategies, and changing allocation of resources.

5   **Measuring impact**
To find out whether these interventions are having an effect on multi-dimensional poverty types involves more than simply measuring income. However, there are outcomes that can be tracked for each type of poverty to show improvement within it, using different sources of data.

Testing the local response to poverty types

In reality, local authorities will always be at the forefront of tackling poverty on the ground. Yet using the national dataset of Understanding Society our analysis gives us an idea of the different 'types' of poverty at national level, based on national survey data. These 'national average' groups may not always correspond to the population of local authorities, with substantial numbers of people from minority ethnic backgrounds or asylum seekers, those tackling rural poverty, or those dealing with very high instances of unemployment or health inequalities.

It is for this reason that in the final stage of work we investigated the possibility of replicating our national analysis at local level, using local data, to create locally bespoke poverty groups for the local demographic and a local toolkit.

This is not an easy task. As described further in chapter 6, local data are rarely if ever collected at household level in a way that would allow information from different datasets to be 'matched' to the same household, so a cluster analysis (working out which low income households have which combination of indicators) is impossible.

In the absence of robust household level data, Demos explored the feasibility of using a toolkit in three local authorities in a more hypothetical way. With the help of the three local authorities we gathered all of the data available relating to the 20 indicators in our national poverty model, and identified the indicators that seemed particularly prevalent or problematic for the area (for example much higher than average sickness benefit claims, or much higher than average overcrowding). We then compared these flagged indicators with our poverty groups and identified the two or three groups where there was the largest overlap. For example, if one local authority's data shows it has:

· small households with single parents
· problems of social isolation
· high rates of mental health problems
· mixed skill rates and mixed labour market

it is likely that this local authority will have the fifth type of child poverty identified in our analysis, which we call managing mothers (see chapter 3).

The limitations of this approach means we can only state that local authority A is likely to have managing mothers, and we do not know if they predominantly have managing mothers or if they have another type of child poverty, which is wholly different from all of the national average types we have identified and is therefore unknown to us.

We therefore tested this process by asking the local authorities involved and a range of local agencies and service providers in the three areas whether the groups we thought would be common locally (based on local data) seemed to correspond to the types of families they encountered and helped daily. We asked them about their experience of tackling these particular combinations of problems. This exercise was designed to test how a local toolkit might be developed, how it would operate, and whether it would assist local authorities in their thinking about tackling child poverty.

We used this feedback to refine further these local types before using them to develop local toolkits – suggesting ways in which such groups might be identified, targeted and helped with existing local resources and joint working, based on the model outlined above.

Table 3 shows how local poverty indicators compare with the national indicators.

Table 3 **How local poverty indicators compare with national indicators**

Indicator	Local data	Source	National comparison
Income	Gross weekly pay for full-time workers is £500 (regional average is £520; national average £500)	ONS, *Annual Survey of Hours and Earnings – Resident analysis, 2011*[82]	Same as national but much worse than regional
Car ownership	30% households have no car (25% regionally; 17% nationally). People who do own a car are much more likely to share it with other household members	2001 Census	Worse
Tenure	50% home owners, 15% social rented and 10% private renters; social and private renting lower than national average (19% and 12%), home ownership higher than national average (40%)	2001 Census	Higher levels of home ownership; lower levels of renting

A note on troubled families

At this stage it is worth mentioning the similarities between our work and the work carried out in 2007 by the Social Exclusion Task Force. This analysed the 2004 data from the longitudinal Families and Children Survey using the following indicators:

· No parent in the family is in work.
· The family lives in overcrowded housing.
· No parent has any qualifications.
· The mother has mental health problems.
· At least one parent has a long-standing limiting illness, disability or infirmity.
· The family has low income (below 60 per cent of median income).
· The family cannot afford a number of food and clothing items.[83]

The research found that in 2004, 0.2 per cent of the population met five or more of these seven conditions and were therefore in significant need and had entrenched disadvantage. The Coalition Government launched its Social Justice Strategy in March 2012. Drawing on this analysis, its stated aim was to 'turn around the lives' of an identified 120,000 'troubled' families in Britain (0.2 per cent of the population with five or more of the seven indicators), through prevention and coordinated support.[84]

The way the analysis was carried out is similar to our work in that a number of indicators are applied to a dataset to isolate multi-dimensional disadvantage. However, there are a number of differences. First and foremost, the analysis focuses on the *number* of indicators present, rather than what they are. In other words, it identified people with multiple disadvantage according to how many of the seven indicators they had, but did not identify which families had which combinations of these seven. It gave a simple proxy of the extent of disadvantage, based on how many factors were present. This draws on an established methodology used by Alkire and Foster from the University of Oxford.[85] Also, low income was just one of the indicators. Unlike our work, it was not the 'constant' – the indicator associated with all groupings. In theory, it is possible that some of the 120,000 families with five indicators or more did not have low income as one of them. In reality this is highly unlikely.

This research is therefore more sophisticated in that it groups together 20 separate indicators into clusters defining 15 different variations, each one a unique type of poverty. We do not have any scale of disadvantage based on how many indicators each of the groups have, as our indicators are neutral – for example employment status, housing tenure, educational level. This means our 15 groups will have combinations of positive and negative results for all 20 indicators (for example one group may be characterised by high home ownership, but poor qualifications). While some groups are experiencing a larger number of negative outcomes than others, these cannot be 'counted up' as a proxy of disadvantage as the indicators are not all yes or no questions (housing tenure, for example, includes social and private renting, and home ownership with and without a mortgage) and each group is defined by the interaction of their indicators, both positive and negative. Compare this to the seven factors above, which are all negative yes or no questions and therefore are markers of disadvantage against which people are scored, while ignoring other aspects of their lives which may be associated with positive outcomes.

One thing our two analyses have in common, however, is that neither of our indicator sets include the presence of anti-social behaviour or criminality. This is primarily because the datasets used in both pieces of work do not contain these data.

Understanding Society includes questions on whether participants feel unsafe in their own home or neighbourhood, but does not ask about being the victim or perpetrator of crime, or being subject to ASBOs or other such markers of anti-social behaviour.

This is important to bear in mind given the interpretation of the Social Exclusion Taskforce's work by the current government and media.

Interpreting the findings

Both the Social Justice Strategy and a speech by the Prime Minister in December 2011 link the 120,000 families with a

cost to government of £9 billion (£75,000 per family).[86] These costs are not derived from the Social Exclusion Task Force report (the source of the 120,000 figure), and the Department for Communities and Local Government's explanatory note is silent on their origin.[87] The most plausible source is a Treasury report from 2007, which drew on a number of studies of the financial impact of different social problems. It produced an estimated annual cost to the economy and society of £55,000–115,000 for a family experiencing all five of the following problems:

· depression
· alcohol misuse
· domestic violence
· short periods of homelessness
· involvement in criminality[88]

The Treasury report did not attempt to estimate the number of families affected by these five problems, but it quotes another study finding that around 5,000 families experienced seven or more of yet a third set of problems:

· mental health
· physical disability
· substance misuse
· domestic violence
· financial stress
· neither parent in work
· teenage parenthood
· poor basic skills
· living in poor housing conditions[89]

Therefore, the Government appears to have conflated the prevalence statistics relating to one set of social problems with the cost statistics relating to a different set of social problems.

This means the 120,000 'troubled' families experiencing five or more of the seven criteria associated with disadvantage – material deprivation, low income, disability, poor housing

and so on – have been wrongly associated with social problems such as domestic violence, alcohol abuse and criminality, which are more related to another group – *troublesome* families.

This erroneous link has been widely criticised as an inaccurate demonisation of the poor, with statisticians and economists pointing out that the 120,000 statistic itself is also likely to be inaccurate given that this was extrapolated from a small survey sample.[90]

And yet, the link has been made time and again: speaking in the context of the riots, David Cameron called the 120,000 'the source of a large proportion of the problems in society' and claimed the media would call them 'neighbours from hell'.[91] Eric Pickles said of them, 'These families are ruining their lives, they are ruining their children's lives and they are ruining their neighbours' lives,' calling for them to accept that they were 'not victims'.[92] The Social Justice Strategy document begins with an emotive image – a piece of artwork by a group of children whose parents are substance misusers, depicting a scene at home. 'Sadly', it continues, 'this is not an isolated case.' Two sentences later, the 120,000 figure crops up once again.[93]

The Social Exclusion Task Force report (the source of the original 120,000 figure) considered the impact of multiple deprivation on children's wellbeing, according to the Every Child Matters Outcomes Framework. In families meeting at least five of the identified characteristics – in 'troubled' families according to the Government definition:

· 10.2 per cent of children had been in trouble with the police in the last year (2005) [89.8 per cent had not].
· 5.4 per cent of children reported drinking alcohol at least once a week (2004) [94.6 per cent did not].
· 16.5 per cent of mothers considered their child to have a problem with smoking, drinking or taking drugs (2005)[94] [83.5 per cent did not].

These figures suggest that the allegations of criminality and alcoholism are only relevant for a small proportion of the

whole 'troubled' population and are not as prevalent – and certainly not the defining characteristic – as statements by government ministers would suggest.[95]

Lessons for the Demos research

Demos is concerned that the way in which multiple deprivation has been wrongly associated with anti-social behaviour or criminality will also occur with our analysis of multi-dimensional poverty. We do not have any data associated with substance abuse, crime or anti-social behaviour, but it is not impossible that the Government or media might brand one or other of the groups associated with a type of poverty (perhaps those with the most entrenched poverty or negative features such as poor education and material deprivation) 'neighbours from hell'. The fact it will be less easy to isolate and demonise the 'worst' group in our more complex analysis of 15 types across three cohorts mitigates this risk only slightly.

   We have given this risk particular consideration as we describe and communicate our findings through this report and through the dedicated project website. Our findings demonstrate, in fact, that some types of poverty have less need for interventions and support services than others – another potentially controversial finding – and certainly some of the lived experiences of these groups confound stereotypes and assumptions associating low income with a particular lifestyle. The most prevalent types of poverty are among the working poor and the recently redundant (as a sign of the current economic climate), who have sophisticated financial coping strategies and lack the social disadvantages all too commonly conflated with low income. The following chapter presents these findings, beginning with our most detailed analysis – families with children.

3 Findings: child poverty groups

Child poverty has been the most high profile social justice issue for successive governments. In 1999 Tony Blair made the unprecedented commitment that 'our historic aim will be for ours to be the first generation to end child poverty', setting a 20-year timeframe for the objective to be met.[96] The goal has enjoyed cross-party consensus since 2007, when David Cameron, then the Leader of the Opposition, offered his party's formal endorsement of it.[97]

On the current trajectory the pledge is highly unlikely to be fulfilled,[98] but these public commitments have clearly had a striking effect on government policy. Child poverty fell by 900,000 children under the Labour Government[99] and the pledge has affected the spending priorities under the Coalition Government, albeit in a wider context of fiscal consolidation.

Because of its totemic position in British politics, child poverty was the central focus of the research for this project. Our quantitative analysis grouped together low-income households that had similar indicators of poverty, which were then further explored with 30 detailed interviews to generate qualitative insights. It produced five main child poverty groups, all of which contain, by definition, households with less than 70 per cent of median income. These five types were:

· Type 1: The grafters
· Type 2: Full house families
· Type 3: Pressured parents
· Type 4: Vulnerable mothers
· Type 5: Managing mothers

The grafters are the largest group and managing mothers the smallest (figure 6). We look in more detail at the five child poverty groups below.

Figure 6   Percentage of households in each poverty group

- Above 70% median income
- Grafters
- Full house families
- Pressured parents
- Vulnerable mothers
- Managing mothers
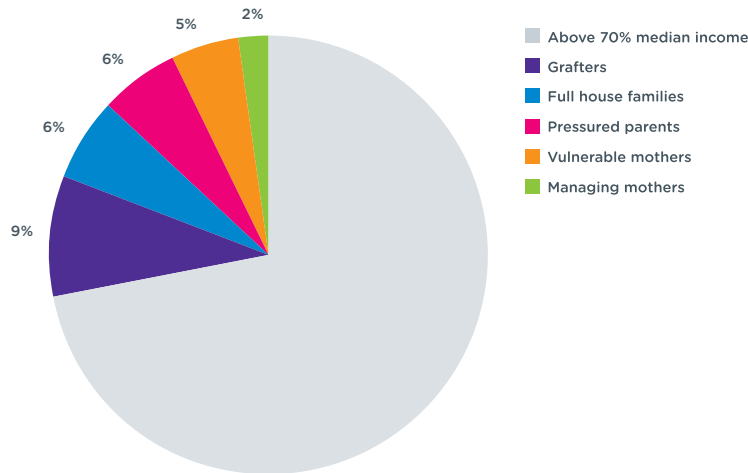
Using a list of 20 poverty indicators introduces scope for considerable variation – clearly not every household within a type has every characteristic in common – and there will be considerable variation between the exact combinations of indicators experienced by individual households within each type. When we describe the types below, therefore, we talk about the likelihood of an individual household experiencing a certain factor. For example, one household may live in social housing, and another may own their house, but they fall within the same type because they are similar on enough other indicators to group them together.

For each of the five child poverty types, we have included a brief summary describing the predominant features within the group, and highlighting each group's defining characteristics – the top characteristics that are most strongly associated with that group relative to the other four.

Group 1: The grafters

'I would literally have gone into cleaning, I would have took… knocked on neighbours' doors and taken ironing in, preferably, [rather than] go and sign on the dole.'

This group makes up the largest proportion of families on low income and is a combination of three sub-groups – the recently redundant, the self-employed and those with a long work history in poorly paid jobs. The vast majority of households in this group contain more than one adult. Households in this group have low incomes, but perform well across the other indicators – for example, they tend to be homeowners, have high levels of qualifications and employment, are not short of material goods, and report that they are coping financially. They live in the least deprived neighbourhoods and are likely to be engaged in community activity and politics.

Key characteristics
Members of this group:

- are in work
- are highly educated
- are homeowners
- do not lack any consumer durables
- describe themselves as living comfortably

Figure 7 gives a breakdown of the poverty indicators for the grafters group, which makes up the largest proportion (31 per cent) of families on low income. The characteristics of the group are strikingly different from the troubled families stereotype that has taken shape in recent months, as apart from low income, this group experiences very few other social disadvantages – and even low income is a seemingly recent rather than entrenched problem.

We describe the group as the grafters as they are made up of the self-employed (experiencing a drop in otherwise high income), the recently unemployed, and the working poor with long work histories. The result is that these groups have the

assets and resilience to see them through these lean times and have yet to experience the hardship associated with low income. The group comprises overwhelmingly two-parent households (95 per cent of the group), who are more likely to be found in rural areas than any of the other four child poverty groups, with 28 per cent falling into this group (figure 8).

Overall they are the most qualified households of the five poverty groups (with only 2 per cent devoid of any qualifications) contributing to the fact that they are also the most likely of all the poverty types to be in work. The grafters experience the lowest financial stress – only 17 per cent report finding it 'quite difficult' or 'very difficult' to cope financially, the lowest of all the five types – partly because they can draw on savings to help them through periods in which their incomes have dropped.

The vast majority of the grafters own their own homes, either outright or through a mortgage (13 per cent and 78 per cent respectively), a higher level of home ownership than the other four child poverty groups. Qualitative interviews revealed these home owners to be broadly comfortable with their local areas, often having owned their property for a number of years. Only 4 per cent of this group severely lack consumer durables and only 7 per cent miss out on common social and leisure activities because of financial constraints (what we refer to as 'lifestyle' deprivation) – a low proportion by comparison with the other four child poverty groups – but the impact of low income on maintaining homes was apparent for homeowners. Extending homes to accommodate more children was not an option and households described having to live with part of their property in disrepair. Where participants were able to afford modifications, they were drawn-out procedures that had to stop when the household could not afford to pay for completion.

Households belonging to the grafters display a strong appetite for work and for thrift – those who were not self-employed or recently redundant often had a continuous employment history, but in very low-paid work. Many work long hours and multiple jobs for small financial gain and had

limited prospects for improved pay or progression: 87 per cent of this group is 'working poor' – at least one adult household member is in some form of work, but the household still experiences income poverty. Job satisfaction was not always high but the priority for individual members of these households was to provide for their family above themselves. Those recently out of work tended to be relatively well qualified and engaged in a range of activities to improve their chances of re-employment, including additional or re-training and seizing relevant volunteering opportunities. A belief in the intrinsic value of work appeared to underpin the behaviour of this group.

This work ethic is accompanied by a similarly determined attitude towards thrift. Many of the grafters have identified certain luxury items that were now out of reach and had used savings in some cases to meet essential expenditure. Self-employed households were aware that their fluctuating income could lead to periods of very low income, which needed to be prepared for, and low-skilled households were aware of their low income in comparison with others around them. Households in both of these situations had developed strategies to manage unstable or persistently low income. For example, participants described prioritising essential spending, like paying households bills, and shopping around for the best deals in supermarkets. Personal sacrifice was seen as preferable to the use of loans or credit.

But yes, all meals and that stopped, every treat stopped, because literally even if we did have spare money, I wouldn't spend it on that in case something came up the next week.

Qualitative research revealed the strain of living on low income for this group, with mental health issues such as stress, depression and anxiety experienced disproportionately in households where only one adult member was employed. This was linked to the guilt of some members not being able to provide for their families. Anxiety became more entrenched during long periods of unemployment when households felt less able to cope financially.

Figure 7   **Breakdown of poverty indicators for the grafters**

Finding it quite/very difficult financially
Severely lacking durables
Severely 'lifestyle' deprived
Child severely 'lifestyle' deprived
Behind on one or more bills
No car in household
Overcrowded
Struggling to heat home
Poor physical health (in household)
Poor mental health (in household)
No qualifications
Workless households
Low neighbourhood support
Low family support
Deprived neighbourhood
Low participation
Not interested in politics

Percentage (%)   0   10   20   30   40

Often there were knock-on effects of poverty on family life, reflecting the complex relationship between household income and personal relationships. Partners were often described as providing emotional support when times were particularly challenging financially, with participants valuing not having to shoulder all their problems alone. But many also described how life on low income can simultaneously place a strain on the very same relationships. One participant described how arguing with their partner over money could worsen their depression. Where participants were unable to afford things for their children, they described feeling inadequate and guilty that they could not provide for the family.

So, it just changed the whole worry, worry, worry, constantly, where we're looking constantly at every pound he brought in.

The extended family was seen among the grafters as a vital source of financial support. Participants explained that financial aid provided by family members was used as contingency for any unexpected costs:

Figure 8   **Socio-demographic characteristics of the grafters**

Family status
Couple
Lone parent

Age of youngest child
0-4 years
5-10 years
11-15 years
16-18 years

Number of children aged 16 or below
+4
3
2
1

Care for an ill or disabled child
Not carer
Carer

Tenure
Own outright
Owner with mortgage
Social renter
Private renter

Rurality
Urban
Rural

Percentage (%)   0   20   40   60   80   100
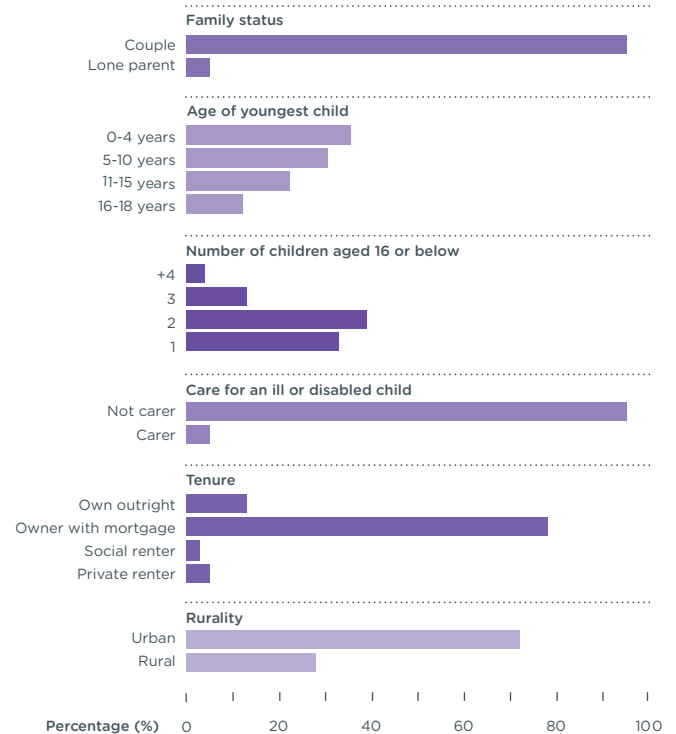
My brother lent me some money, bless him, to go and buy a new fridge, which was good. Um… my husband's friend had an old dishwasher, so it was still working, just needed cleaning so we had that and then obviously my brother's a mechanic so he fixed my car so I was all right.

Grandparents would also provide children with treats and social and cultural activities parents would otherwise not be able to afford. There was also a sense that this kind of support was common in many of the families and helping one another out financially was a part of normal family life.

This kind of financial support was seen as a last resort for some participants, but they admitted that they would be lost without this safety net. The experience of those without family support networks bears this out: these households tended to find financial crises more difficult to deal with, turning to credit and loans to keep afloat during difficult periods instead. The associated lack of emotional support could also exacerbate feelings of depression and isolation, in severe cases contributing to a sense of hopelessness.

Case Study   **Grafters**

Julia is a mum in her late 30s, living with her husband, and her two youngest children, who attend primary school. Her oldest daughter is living with her boyfriend. The family owns their own home, and are slowly paying back a mortgage. Julia is settled in her local area, having lived there for over 20 years. There used to be problems with litter, fights and other disturbances in the neighbourhood, but these have improved in recent years.

Last year, Julia was made redundant from her part-time job, and is now adjusting to life as a full-time housewife and mum. Her husband is self-employed, so his earnings fluctuate from month to month – in the past, Julia's wage has always topped up his wages, and allowed the family to live relatively comfortably. As a result, Julia's current unemployment has had a big impact on the family's income, and forced them to budget very carefully, buying cheaper goods and cutting out all 'luxury' spending. In this way, she feels that the family is just about able to get by – though they are not able to save up for a holiday this year. She claims housing benefit to help pay her rent, but she does not claim everything that she is entitled to, as she feels strongly that she and her husband should pay for things themselves as far as they are able.

Despite these worries, Julia feels that she has the skills and qualifications to help her find a new job in the near future. The last time she experienced unemployment – several years previously – she took three part-time jobs that allowed her to juggle childcare while bringing in some extra income.

Group 2: Full house families

Just over one in five families on low income (22 per cent) fit into this group. These tend to be very large households, containing multiple adults and young children. Members of this group are more likely to be from Asian and other minority ethnic backgrounds, many without English as a first language. They are able to heat their homes and are not behind in paying bills, but housing conditions are likely to be overcrowded. Their qualifications range from low to degree level, but their rate of employment is low, with only one or two family members in work. They live in deprived but reasonably supportive neighbourhoods and get more support from families.

Key characteristics
Members of this group:

· are in work – though the level of employment within the household is low overall, with potentially only one adult member working part-time hours
· own a car, which is shared between household members
· live in overcrowded accommodation
· describe themselves as doing OK financially

Breakdown of poverty indicators
Figure 9 gives a breakdown of the poverty indicators for the full house families group. These tend to be large households, containing multiple adults and children. Asian and non-British white households are over-represented in this poverty group, and often English is not their first language. These households are more likely to be 'working poor' (to have at least one adult member in work) than to be entirely workless.

The full house families group consists predominantly of two-parent families (86 per cent of households), involving children who tend to be younger than those in grafters' households.

The group is split roughly equally between three forms of housing tenure: owning, social renting and private renting. Participants appeared to be satisfied with aspects of their housing, despite evidence of overcrowding particularly in the

Figure 9   **Breakdown of poverty indicators for full-house families**

Finding it quite/very difficult financially
Severely lacking durables
Severely 'lifestyle' deprived
Child severely 'lifestyle' deprived
Behind on one or more bills
No car in household
Overcrowded
Struggling to heat home
Poor physical health (in household)
Poor mental health (in household)
No qualifications
Workless households
Low neighbourhood support
Low family support
Deprived neighbourhood
Low participation
Not interested in politics

Percentage (%)   0   10   20   30   40   50

Figure 10   **Socio-demographic characteristics of full-house families**

Family status
Couple
Lone parent

Age of youngest child
0-4 years
5-10 years
11-15 years
16-18 years

Number of children aged 16 or below
+4
3
2
1

Care for an ill or disabled child
Not carer
Carer

Tenure
Own outright
Owner with mortgage
Social renter
Private renter

Rurality
Urban
Rural

Percentage (%)   0   20   40   60   80   100

private, rented sector (figure 10). Where overcrowding was evident (in 21 per cent of households in this group), there were negative implications for family life. Our qualitative research revealed children suffering from a lack of privacy, contributing to arguments between siblings and a tense atmosphere in the family home.

This group is characterised by a high level of resilience to the effects of poverty, relative to the other child poverty groups, despite a relatively high unemployment rate among adults. Only 3 per cent of participants reported that they are finding it very difficult to get by financially (with another 17 per cent finding it 'quite difficult'), compared with 4 per cent of the grafters, 27 per cent of pressured parents, 17 per cent of vulnerable mothers and 8 per cent of managing mothers.

The foundation for this resilience is a strong employment record. Adults interviewed in our qualitative research described being in employment for all or most of their adult lives; in this respect they are very similar to managing mothers. Periods of unemployment generally appear to have been

temporary and occurred for various reasons, for example, when participants gave up work to care for children or when they were unable to find suitable employment locally. Parents in this group have worked in a range of skilled, semi-skilled and low-skilled jobs in fields such as administration, computing and catering.

Those out of work had aspirations to enter work in the immediate or longer term. Parents were attracted to work by the promise of a higher standard of living, but also non-material rewards of work. This was one similarity with those in group 3 (pressured parents). Barriers to work experienced by participants included being unable to access practical or financial support

such as childcare or the cost of course fees. Limited suitable job opportunities in the local area were also a barrier: over a third of these households can be found in deprived neighbourhoods, and dissatisfaction with the local area (related to crime, anti-social behaviour and limited safe areas to play for their children) was a source of concern, with many talking of moving to a better area or to one with more jobs.

Full house families had adopted a range of strategies to help cope with fluctuations in their income. A typical approach involved making a decision to allocate responsibility for the household finances to the person in the household most suited to the role. A household budget was then drawn up and spending prioritised to ensure key items of expenditure were covered each month. To ensure the household 'lived within their means', ad hoc essential purchases such as clothing for children were offset by reducing expenditure on regular items.

Careful consideration was also given to the most effective way of managing bills. Strategies included holding money back from weekly income to pay for monthly bills; choosing to make a one-off, annual payment to reduce the number of monthly outgoings; and covering bills on a 'pay as you go' basis. Participants who were in debt had taken measures such as not carrying credit cards to prevent them from becoming further indebted. Overall, the group displayed pride in balancing the books. Only 10 per cent of households in this group were behind in paying several bills, and 26 per cent on one or more bills (figure 9), compared with one-third of pressured parents behind on multiple bills and 64 per cent on one or more bills, for example.

The stresses and strains of life on low income are evident even in these full house families. Two-thirds of households in this group have at least one adult in work, and parents interviewed in our qualitative work reported exhaustion from working long hours to try to maintain an acceptable standard of living for their family. Among this group, feelings of self-worth and self-esteem that in other groups had been generated by being in work were actually undermined. Self-employed interview participants felt unable to provide adequately for or spend time with their family despite the considerable effort they afforded to their business, and the sacrifices they made to ensure it was a success.

It takes up loads of time. It takes about 40 hours a week. I have to work at home. Wake up around four o'clock, three o'clock sometimes, work home, go to the customer…

The attitudes of this group varied in one significant way from the other four child poverty groups. Unique to this group was a sense that their current situation was being judged in relation to the standard of living that they aspired to. Dissatisfaction with the household's current circumstances often stemmed from being unable to afford this standard of living, which they may have had in the past but had been unable to maintain.

It has hit us quite hard 'cause we used, like I say, we used to be able to do anything we wanted but I don't regret having children… but it has hit us.

Group 3: Pressured parents

For [my wife] to take it all on and, you know, deal with that for me 'cause I, physically and mentally, can't do it… really brought me down as well. I was just ashamed of myself, you know, what, what can I do?

This group accounts for 21 per cent of families on low income. Living predominantly in rental properties – more often social than private – these families have a mixed range of low incomes but are extremely deprived on lifestyle as well as material measures. They tend to have poor physical and mental health, low skills and low rates of employment. They are also more likely than other poverty groups to be caring for a child with a health condition or disability.

Key characteristics
Members of this group:

· have poor mental and physical health
· describe themselves as struggling financially
· are behind on bill payments, including struggling
  to afford to pay energy bills
· are unable to afford common life experiences such
  as holidays or leisure activities
· are often carers for a child with an illness or disability

Breakdown of poverty indicators
Figure 11 gives a breakdown of the poverty indicators for the
pressured parents group, whose members struggle with the
cumulative effect of multiple and severe problems, ranging
from the economic (unemployment, or insecure work) to the
social (depression and illness). The families in this group are
generally two-parent households, but otherwise very similar to
the vulnerable mothers (group 4).

Figure 11   **Breakdown of poverty indicators for pressured parents**
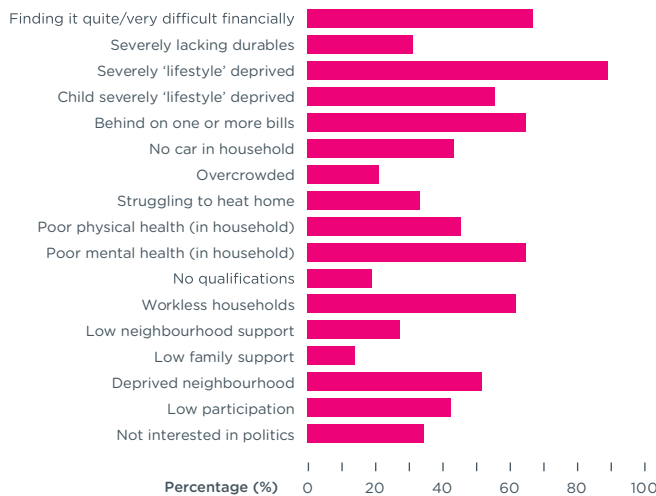
Pressured parents were more likely to be renting homes
than owning them – and more likely to be social than private
renters (figure 12). Overcrowding was an issue for more than
one in five households in this group, generating many of the
same problems as described for the full house families. A key
barrier was the lack of affordable housing matching the
household's requirements in the local area. One in three
households has a problem with cold accommodation, with
interviewees reporting being unable to keep their homes warm
enough because of financial pressures.

Figure 12   **Socio-demographic characteristics of pressured parents**
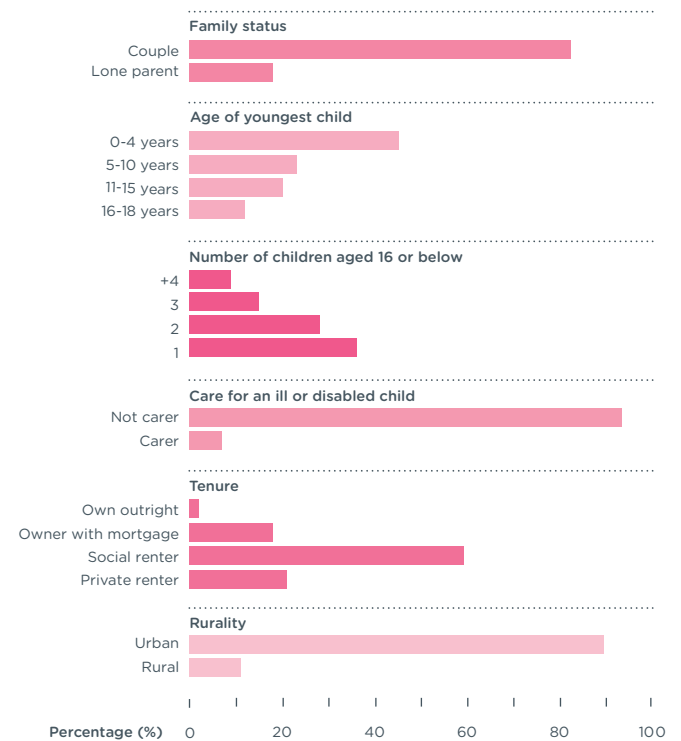
The absence of work is a major characteristic of this group. Parents in the group have low rates of employment – over three in five households in this group contain no working adult members – while almost one in five have no qualifications at all (figure 11). In our qualitative work, participants described patchy records of employment interspersed with sometimes long periods of unemployment. Prospects for employment or for progression within an existing role were restricted as a consequence of a limited number of jobs they are suitable for.

I'd rather be in work making the money for myself and not constantly having to look for a job that doesn't exist. I'm applying to all the local ones, all the ones that I'd be perfect for but just no one replies whatsoever.

The economic prospects of this group were not helped by the economic geography of their neighbourhoods: over half live in the most deprived neighbourhoods (based on the English Indices of Multiple Deprivation) – a figure only exceeded by the vulnerable mothers in group 4. In interviews, parents reported the significant negative impact this has on life chances, with limited job opportunities available in the local area.

However, this was not the only or the main cause of longer periods of unemployment, which were linked to other factors in people's lives. In 45 per cent of households in this group at least one adult struggles with a physical illness or disability, and in 64 per cent of households one or more adults experiences poor mental health. Parents in this group are also more likely than other groups to be caring for a sick or disabled child, with 7 per cent falling into this category. In interviews, domestic violence also emerged as a problem that had been frequently experienced by members of this group in the past.

In households involving mental or physical disabilities, the effect of this was significant on the household experience. Parents described how long-standing physical and mental health problems affected their ability to participate socially or economically. This ranged from difficulties forming meaningful and sustained relationships with others, to limiting opportunities in the job market.

Getting a job is virtually impossible because somebody doesn't want somebody with a mental health issue.

While those caring for relatives (a child, partner or other relative with an illness or disability) were committed to providing this support, and found it rewarding in many ways, there were signs that the caring burden also contributed to their own mental health problems.

In interviews, parents consistently reported experiencing problems such as crime, anti-social behaviour, and drug or alcohol abuse in their local area. Some had been able to move away from these problems; those continuing to live in areas with social problems expressed a desire to relocate. A major worry was the potential adverse effects on the life chances of children in the household. Of particular concern was a perceived culture of worklessness and lack of aspiration that participants felt were embedded in the community and might influence the outlook of their own children.

I wouldn't feel safe in this area, really. I just don't feel like it is a, you know, an area you would let your children go out and play in until it starts getting dark.

Case Study **Pressured parents**

Jonathan has been out of work for several years, since being diagnosed with a mental health condition. His wife, Lisa, gave up work to be his full-time carer, and also looks after their two children. Before his health deteriorated, Jonathan was working – he enjoyed his job and hopes to be able to return to work in the future. In the meantime, he tries to keep busy with practical tasks around the house like DIY and gardening.

In between caring for Jonathan and looking after the children, Lisa has very little time to socialise with friends or family. She feels exhausted at the end of each day, but has no

friends in the area whom she can pop round to for a cup of tea. Jonathan is concerned that his condition makes it very difficult for Lisa to make close friends and spend time outside the house.

Because neither Jonathan nor Lisa are able to work, the family struggles for money. They cannot plan ahead more than a week at a time, and have never been able to afford to take the children on holiday, because they cannot save up enough money. When Jonathan first stopped working, he was claiming £40 less in benefits than he was entitled to for several months before he realised. The total amount he was receiving was not enough to live on, and during this time he relied on friends and family members to help out with essentials like food shopping. He was also forced to take out several short-term loans to cover emergency costs.

Jonathan and Lisa are not very keen on their local neighbourhood – there are problems with drugs and alcohol in the area, and widespread unemployment – and do not feel that it is a good place to raise their children. The family used to live in a private rented flat, but could not afford to pay the rent from their benefits income and so were forced to move to their current house, which they rent from a housing association.

Group 4: Vulnerable mothers

I'd like to be somewhere else.

Just under a fifth of families on low income (18 per cent) fall into this group. Group members are extremely likely to be single parents – mostly young single mothers under 24, with babies and/or young children. They are most likely to be renting – generally from councils or housing associations. Families in this group are the most deprived and are highly likely to lack consumer durables and be behind on bill payments, and have very limited work history in poorly paid jobs. They have the lowest skills of the five

groups, and are more likely to be physically and mentally unwell. Despite living in supportive neighbourhoods, they are the most disengaged from community life.

Key characteristics
Members of this group:

· lack consumer durables, and do not own a car
· experience poor physical health
· have no qualifications
· do not work
· rent

Breakdown of poverty indicators
Figure 13 gives a breakdown of the poverty indicators for the vulnerable mothers group. These households are extremely likely to comprise single parent families, mostly young single mothers aged under 24. Approaching two-thirds of these households live in deprived areas; many lack durables and find themselves behind on bill payments.

Figure 13   **Breakdown of poverty indicators for vulnerable mothers**

Percentage (%)
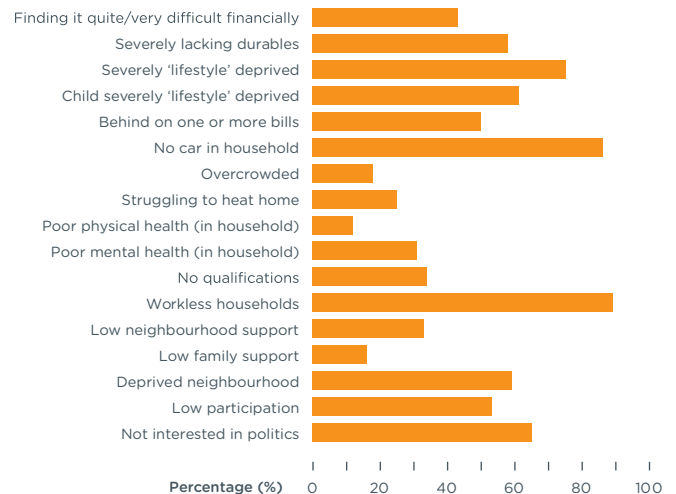
Only 1 per cent of this group own their own homes – by far the lowest of all five child poverty groups – leaving the vast majority of vulnerable mothers reliant on the rented sector (figure 14). Three-quarters live in social rented housing, with many suffering from overcrowding and fuel poverty; 18 per cent report overcrowding; while one in four cannot afford to heat their homes properly. However, where conditions were not overcrowded and there was some space for children to play outside safely, council housing tended to be viewed positively by this group.

Figure 14 **Socio-demographic characteristics of vulnerable mothers**
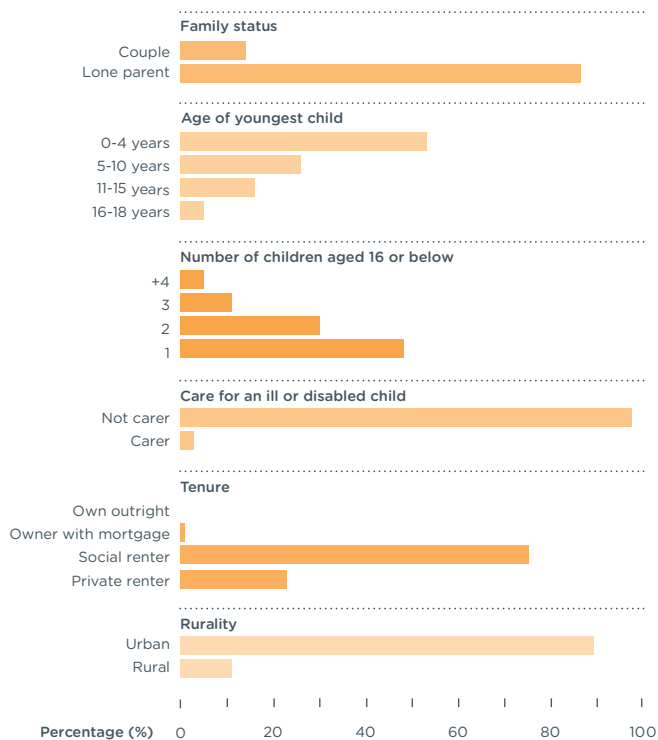
Over one-third of this group have no qualifications – the highest of all five groups – contributing to low employment rates. Interviewees described past experience of work involving almost exclusively low-skilled and manual jobs such as cleaning, care work and catering in canteens. There were two broad attitudes towards work among these households without work:

· Those who wanted to work and were actively seeking it recalled being in a better financial position while working and wanted more social interaction with other adults. There was a perception of increased pressure to look for work from the Government and this was seen as fair.

· Those who either lacked the confidence or the financial incentive to make a concerted effort to find work. This group was particularly concerned about getting into debt when moving from benefits income and requiring childcare – a feeling strong enough to override a preference for work rather than unemployment.

I kept saying to them, I love the job… You know what I mean, but I said to 'er I can't even stay 'cause I'm not benefiting from it, I'm going up and up in arrears, so I had to pull myself back out of it [work].

Vulnerable mothers face significant barriers to work, in particular childcare and making work pay. Participants described benefits as the key if not only source of income; other sources included occasional gifts from family members. Qualitative research revealed these groups to rely on welfare payments to cover essential spending. Participants received benefits such as Child Tax Credits, Child Benefit, Income Support and Housing Benefit. Those with health issues received Employment Support Allowance and Disability Living Allowance. There were participants who received milk tokens. What seemed to be missing in this group, unlike the managing mothers (group 5), was support from fathers through child maintenance.

Although possible, covering essential items such as food, bills and rent with welfare payments was challenging: 17 per cent found it very difficult to cope financially (another 26 per cent said 'quite difficult'), with a clear majority lacking some consumer durables, three-quarters suffering lifestyle deprivation and half behind in paying one or more bills (figure 13). These figures are strikingly higher than the managing mothers of group 5 (see below) who tend to have older children, more qualifications and a stronger work record.

Strategies employed by vulnerable mothers included prioritising certain types of expenditure, such as bills and debt repayments. People described 'being frugal' and buying cheap and discount items and walking rather than using transport. Some opted for pay as you go options on household bills; not all were aware that this meant they would pay more in the long run.

Where welfare was insufficient or delayed, participants opted for loans and credit to cover basic expenditure. There were households that regularly took out high-interest, short-term loans. Despite the higher cost, they generally repaid these loans without difficulty and they were viewed favourably by participants. More generally, however, debt was a key issue confronting this group. For the most part debts were regarded as manageable, though for some this was clearly not the case. One participant whose situation seemed less manageable had multiple debts, including rent arrears of two months and overdue bills for gas, electricity and catalogue purchases.

Mental health issues were more prominent than physical health issues, though both were high relative to the other child poverty groups (31 per cent and 12 per cent respectively). Participants described having experienced depression, anxiety, stress and nervous breakdowns. Causes included past abusive relationships and alcohol dependency. In some cases, these appeared to be the main cause of the household's low income, but the relationship between personal problems and material poverty worked in both directions. The qualitative research also revealed how stressful situations such as financial difficulty could cause a relapse of past issues or exacerbate current anxieties. Participants described 'struggling every day to get

through life' and feeling guilty for not providing adequately for their children.

It's basically, you know, the triggers that… because I don't have the space and because we don't have…You know, it's overcrowded, we're tight on money… All these have an impact on to people's wellbeing – overall mental wellbeing.

Limitations to recreational activities and social interaction imposed by living on a low income and being solely responsible for childcare also contributed to poor wellbeing. The wellbeing of participants who were unemployed was affected by not interacting socially with adults, increased feelings of dependency on the state and reduced self-confidence.

In the qualitative interviews, participants viewed their local areas relatively positively, describing them as quiet. They acknowledged the deprivation identified by the quantitative analysis (households in this group are the most likely to live in deprived areas) but those who saw themselves as living in 'rough' neighbourhoods felt they were fortunate to be living on the nicer streets of these areas. However, a widespread concern among vulnerable mothers was the lack of things to do locally for themselves and their children. For example local shops in one area were seen to have deteriorated in recent years and concerns were raised that in the absence of sports or other non-expensive activities, children would end up getting into trouble.

Group 5: Managing mothers

This entirely single parent group makes up the smallest proportion of poor families (8 per cent of the total). They are slightly older mums with other children. The majority feel they are 'getting by'. They lack some consumer durables but are generally not deprived or behind in paying bills. Though some work part time, half of this group are currently out of work, but their qualification rates are good and most see unemployment as a temporary problem; they have a strong work ethic.

They have few physical health problems, but a third have mental health needs.

Key characteristics
Members of this group:

· are single parents
· are in work
· own their own car
· describe themselves as getting by financially
· receive lots of support from family members

Figure 15   **Breakdown of poverty indicators for managing mothers**
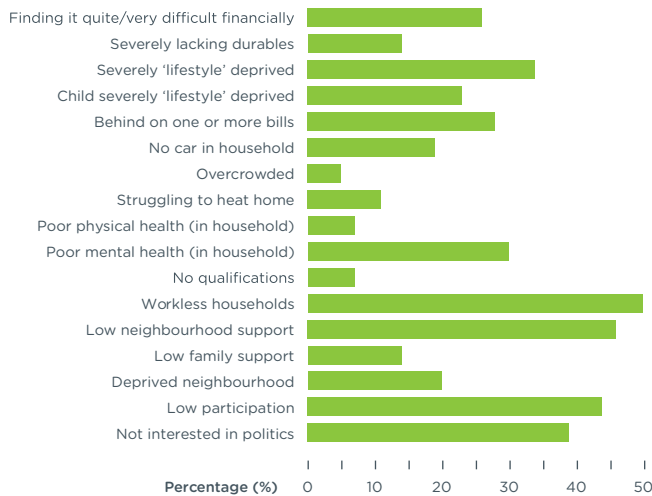
Breakdown of poverty indicators
Figure 15 gives a breakdown of the poverty indicators for the managing mothers, an entirely single parent group, which makes up 8 per cent of families with child poverty. In general, these households had a mid to low range of low incomes, but fare relatively well on most other indicators. Qualification and employment rates are high relative to other groups – especially

vulnerable mothers in group 4. Resilience to financial shocks is also relatively high.

Four in ten managing mothers own their own homes, with the rest split between social and private renting (figure 16). In interviews, each tenancy type was seen to have its benefits and drawbacks, with home ownership considered a preferable alternative. Negative experiences of living in council properties were underpinned by a failure to address serious problems such as rising damp promptly and to complete refurbishment work to a high quality. One participant started taking anti-depressants because she believed damp was causing her son to become sick but this was not being taken seriously by the council.

Figure 16   **Socio-demographic characteristics of managing mothers**
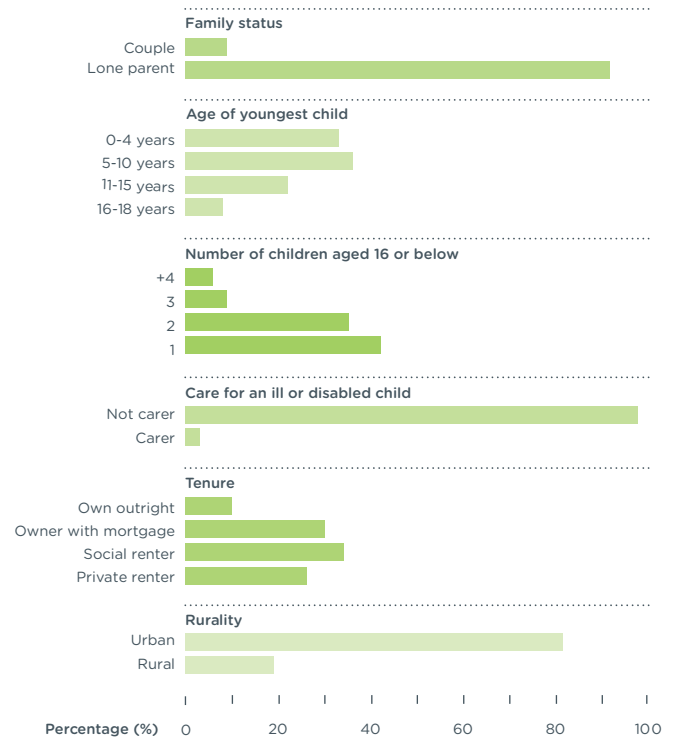
The advantage of social renting was that managing mothers generally thought it provided more stability, although private renters benefited from landlords paying for white goods and the general upkeep of their homes.

Managing mothers' employment patterns covered the full spectrum – full-time employment, part-time work, self-employment and unemployment – though unemployment or part-time employment were most common. Half of this group were in some form of employment, compared with only 10 per cent for the other single parent group (vulnerable mothers). Those in work were also more likely to be working in higher skilled jobs than the vulnerable mothers, reflecting the fact that 93 per cent of this group have some qualifications – with a third educated to degree level. Jobs mentioned by parents in interviews included a take-away counter assistant, a supermarket supervisor, an ex-NHS ward manager turned foster carer, a supply teacher and a relationship therapist.

Those without work were relatively older than the vulnerable mothers and managed better with what they felt was a short-term period of unemployment. This relative optimism reflects the work histories of managing mothers, many of whom described having been engaged in full or part-time employment for all or most of their adult lives. They had few or no periods of unemployment and were working when their children were very young. Though not stated explicitly, being in a two-parent household at the time appeared to have enabled this – a contrast with the vulnerable mothers in group 4, who, on the whole, had brought up their children alone.

This group demonstrated a strong work ethic, coupled with a resistance to full dependence on the benefits system. However, the design of the welfare system emerged as a problem as managing mothers described their experiences. A barrier to fulfilling aspirations to work was their perception that taking a job could jeopardise their entitlement to existing benefits and mean that their household would not be better off. For example, one participant did not move to a managerial position because it would involve her working longer hours

and earning more, thus exempting her from her benefits. Interviewees in this group also reported that costs and childcare limit their ability to gain further skills and qualifications, or work longer hours.

Erm, I couldn't, there'd be no point in me getting childcare, if I worked full-time, having to get childcare costs and, it wouldn't, it wouldn't work out.

These households do not report struggling financially in anything like the proportions of the vulnerable mothers (8 per cent of households finding it very difficult to cope compared with 17 per cent), though they do not feel as comfortable financially as the grafters or the full house families of groups 1 and 2. Lifestyle deprivation is at less than half the level of the vulnerable mothers, at 34 per cent (figure 15).

Strong skills in financial matters and help from family meant that money was not too much of an issue for those who were unemployed.

I wouldn't dream of going out buying clothes or going to the pub or whatever or smoking or whatever before I paid the bills, you know?

Interviewees described timing expenditure to follow the payment of wages and benefits, having separate bank accounts for savings and expenditure, having a cash ISA and monitoring bank accounts every couple of days through internet banking. One participant had even been on a financial management course run by a credit union to learn these skills. Another strategy was for managing mothers to sacrifice their own needs so that children did not go without the things they wanted, for example, if both parent and child was in need of new clothes, they would be purchased for the child first.

Saving appeared more within the grasp of those in this group than those in others. While some were unable to save, others saved occasionally for specific items while other saved regularly to build up spare money for financial shocks or to be used in later life. Participants in this group were not in debt at

the time of interviews. They had had experiences of debt in the past, which appeared to have changed their approach to spending to stop them from going into debt again. For example having now repaid all her catalogue debts, one participant would not buy anything without having the money upfront; she often saved up to buy things she wanted. Another participant had got into rent arrears in the past and had been at risk of losing her home; she now prioritised paying her rent above everything else.

As with the other four groups, mental health and wellbeing appeared to be more of a problem than physical health (30 per cent compared with 7 per cent). These households comprised older parents; some participants described long-standing cases of anxiety and depression for which they had sought counselling or medication. The causes of these issues were directly related to experiences of financial hardship. For instance, one participant's depression and anxiety stemmed from her ex-husband's significant debt problems. Another participant described becoming depressed and feeling guilty when she could not afford to provide for her children in the way she wanted.

Strong bonds with family appeared to limit social isolation and financial hardship associated with living on a low income: 'Monetary poverty – yeah – but emotional and spiritual and everything else, no, coz I feel that me and my family are… we're quite well off in that department.'

Where families did not live locally, living on a low income restricted participants' ability to visit their families, because of travel costs. Those who were not able to draw on the support of their relatives received emotional and financial support from partners where possible as there was limited neighbourhood support.

Overview

A consideration of all five groups reveals some common 'protective factors', which help families get through periods of low or no income. These include high levels of financial literacy, helping tight budgets go further, and close family networks which provide an additional safety net beyond the welfare state. A record of employment also emerges as another key factor insulating families from the worst hardship, either because it has allowed some savings to help offset drops in income, or because it has allowed for homes to be properly stocked with durables and other essentials. It is also psychologically protective – those with strong work histories treated unemployment as temporary problems and remained active in returning to work.

There are also some problems common to several if not all five groups. The relationship between poverty and mental health is one of these, with the anxiety and feelings of inadequacy a common story. The structure of the benefits system is another shared problem – in particular for single parent families – with many parents concerned that finding work, or working longer hours, will actually leave their family worse off once they have paid childcare costs.

Despite these common factors there are some stark differences between the groups. These include qualification levels and housing arrangements, which are both major factors determining people's quality of life, regardless of employment status. Family background is another. Single parent families are more likely to suffer deprivation than two-parent households, but there are further, subtle differences even within these two groups. Those single parents who have been part of stable, two-parent families at one stage in their life appear to fare far better in the labour market.

Single parent and two parent families also appear to face different kinds of problem in accessing work and training. Single parents often cite lack of childcare as a barrier to finding work or accessing training. Two-parent families have the opposite problem: working long hours can distance them from their families, placing a strain on personal relationships.

One way of understanding the differences between these groups is to consider the difference between economic and social factors. Those in the grafters, full house families and managing mothers groups experience broadly economic

problems, from finding the right job to earning decent wages, obtaining better qualifications and having the ability to save. Pressured parents and vulnerable mothers face these problems too, but they are compounded by social problems, which include lack of family support (in the shape of fathers, for vulnerable mothers), burdensome caring responsibilities, physical and mental illness and drug and alcohol problems. It is these families that will require the most intensive packages of support.

The next chapter provides further interpretation of each of these groups in a wider policy context, and considers how best to address the specific needs of each.

4 Policy implications for child poverty

As explained in the previous chapters, the objective of this project was to develop a multi-dimensional model of poverty which was 'designed to be used' – in other words, it could be usefully applied to the tackling of poverty. The findings themselves are no doubt instructive, related as they are to real-life situations. Nonetheless, our multi-faceted understanding of poverty lends itself to a multi-faceted response – several agencies working together in different configurations, to tackle each poverty group as a whole. It certainly is not an easy task, particularly when some of the poverty types we identify in chapter 3 have combinations of indicators that do not naturally lend themselves to joint working.

We have developed a toolkit to provide guidance on this issue. Bridging the gap between our findings and the 'real world' of tackling poverty across policy and practice, it helps practitioners and policymakers develop their response to addressing different poverty types by guiding their thinking through the process of how to identify and address each type of poverty using existing and new resources in a joined-up way. As we explain in chapter 6, this toolkit could and should be applied at local level as a way for organisations to think about the links they might make between local organisations and the intelligence they ought to share. A local organisation tackling debt, for example, may be able to use our analysis to segment its client group to better understand the various difficulties they face and to consider who they might work with to help them. We explain this local application further in chapter 7.

In this chapter, we reflect on the national policy and practice implications that our findings have generated, presented in the toolkit framework outlined in box 5.

The grafters

It is clear that the grafters are more resilient and are coping better with their straightened financial situation than other groups identified in our analysis, but they are still in a financially precarious situation: they have children, and most own their own homes and are servicing their mortgage. Very few are behind in paying their bills, suggesting they are getting by, by making sacrifices and using savings and relying on their families, but this is unlikely to be sustainable in the longer term. Similarly, the self-employed and recently redundant in this group are cushioned by previous periods of higher income, leading to the accumulation of material goods and low levels of debt – but this cannot be sustained for long.

It is no doubt for this reason that those in this group made recently redundant are anxious to return to work, and are engaging in a range of activities to help them return. While government welfare-to-work provision focuses on those hardest to reach and furthest from the labour market, there is a potential here for achieving quick results in assisting the recently redundant who are keen to return to work and avoid an entrenchment of their poverty. For the grafters, government needs to consider rapid responses which can secure these families' financial futures before problems become more entrenched and harder to tackle.

For those families with a long work history of low-paid jobs, the issue must be how to make the return on their labour more rewarding – through higher wages. This is a classic case where predistribution is vital to improve the quality of life of the working poor: these families are already working full time, and often in multiple jobs, so they cannot be encouraged to work harder through reducing benefits – they are not benefit dependent. Inversely, they cannot be helped out of poverty by *increasing* benefits either, for the very same reason – they are not benefit dependent.

They are unlikely to be able to improve their lot on their own, however – investing in skills to create opportunities for progression to higher pay may be one solution for some, but for the majority the solution will be a fairer distribution of wages for the low-skilled jobs they have been undertaking for years.

It is interesting that the grafters, the largest poverty group in our analysis, is not defined by poor health, poor education, benefits dependency or anti-social behaviour – features which are often associated with poverty and troubled families. In fact, this group is defined by its members' strong work ethic, family focus, aversion to accumulating debt and ingenuity in getting by through saving up, sacrificing luxuries and shopping around. This should be celebrated – not demonised – and given some constructive policy attention. There is a risk of allowing these families to be unfairly tainted by the troubled families narrative, or ignored by policymakers who overlook their plight as they do not present any social difficulties or cost the state large amounts of money. They are responsible with their limited resources and are getting by – so no doubt fall below the government's radar. Nonetheless, they are exactly the sorts of group that would respond well to opportunities afforded them by the economy and through limited state intervention.

What might a toolkit look like for the grafters?

Description The grafters are the most prevalent among families with children. They are older two-parent families, usually with older children. They are usually home owners. They are made up of three distinct groups: the self-employed, the recently redundant, and low-paid workers with long work histories. They are less materially deprived than other poverty groups through developing strategies to cope with low income – they have a strong work ethic and avoid debt. The first two sub-groups have been on higher incomes in skilled jobs, which act as a cushion when they are unemployed (they have some savings and material goods), but are keen to get back to work and increase their income. Those in the latter group are hard working but unable to improve their lot because of their low-skilled and low-paid employment.

A report from the Resolution Foundation provides insights into this group. Pennycook and Wittaker found that a significant minority of workers remain trapped in low-paid work over the course of their lives, and while part-time work is

associated with a higher risk of low pay, a significant share of all low-paid work is full time (43 per cent). The overwhelming proportion of low-paid workers (87 per cent) are in permanent rather than temporary or casual employment. Pennycook and Wittaker found that low-paid work:

can be found in every occupation but is concentrated in relatively low-skilled occupational groups such as Elementary Occupations (cleaners, security guards, catering assistants, leisure workers) and Sales & Customer services…. the risk of low-paid work is particularly acute in the Hotels & Restaurants sector where 2 in every 3 workers are low-paid.[100]

Identification The grafters are not benefits dependent and are unlikely to have been in contact with many state services – they are in generally good health and do not have debt, for example. Indeed, in the interviews with members of this group, schools were the main services in use (although social services were used to help those children with health needs). They also sought support with helping their children stay in education or move into work through, for example, Connexions services. This may make this group hard to find and to reach as they are somewhat absent from main government datasets.

However, the self-employed tend to fall into this group, as do the recently redundant from hitherto well-paid jobs. HM Revenue & Customs would be able to identify some of these. GP surgeries may well encounter the middle-aged and redundant members of this group, who might be showing signs of depression associated with their unemployment and mounting money worries. The long-standing working poor will most easily be targeted through their employers rather than any state service. Given their savvy approach to money management, credit unions may also come into contact with these groups.

Over time, as this group's situation worsens and savings dwindle, it is likely there will be an increase in mortgage arrears, which will be another way in which this group can be identified and targeted – though perhaps a little too late.

Harnessing existing resources This group will not be readily helped through the state-centric intervention commonly associated with tackling poverty. They do not need higher levels of benefits or substantial investments in 'whole family' support, and the current welfare-to-work offer does not suit this group, designed as it is for the long-term unemployed who are often furthest from the labour market. Therefore, 'existing resources' for this group – such as welfare to work, debt advice, and health services – will not be useful without some adaptation.

Some might argue that the recently redundant in this group need no help at all – their work ethic and motivation to find employment and improve their lot is strong enough that they will soon be re-employed. However, given state of the current labour market and the fact that this group has pressing financial needs (mortgage, car, children), simply assuming they will resolve their situation quickly enough not to experience greater hardship is perhaps too complacent.

Existing self-employment, small business and business start-up support for this group could be very useful – not just for those already self-employed needing assistance in lean times (perhaps in the form of a low cost loan or payment holiday), but also for the recently redundant (who may wish to seize the opportunity to start their own business) and even for the low-paid worker, whose work ethic and money management skills might be diverted to more financially rewarding employment through business start-up support.

Committing new resources The Government ought to consider less resource-intensive return to work assistance for those who are skilled, experienced, motivated and recently redundant, but who need a helping hand in the current economic climate. It might consider whether it could encourage middle earners and the self-employed, who are accustomed to higher earnings and (given their living costs) unlikely to be able to live on Jobseeker's Allowance, to seek alternative forms of insurance against illness and unemployment.[101]

Many of this group have a mortgage to pay, and the cuts to Support for Mortgage Interest – designed to help those with a sudden loss of income keep up payments on their mortgage – will no doubt affect those in this group who do not get back into work quickly. The Government should review this decision, given the extended recession and sluggish labour market, to ensure that this cut does not lead to an increase of arrears and tip otherwise resilient families into entrenched poverty.

Providing further assistance to those with long work histories in low paid work is difficult. The recent report of the Commission on Living Standards, hosted by the Resolution Foundation, makes some recommendations in this area. The report recommends that the Low Pay Commission should be empowered to set sector-specific 'affordable wage' levels for sectors and individual companies that can afford to pay above the legal minimum wage. It also suggests that low pay transparency – forcing companies to publish the proportion of their workforce which earns below a living wage threshold – may help to change attitudes towards low pay.[102]

In spite of the difficulties of policies associated with wage setting, it is clear that predistribution – improving wages rather than increasing incomes though tax and benefits redistribution – is the most effective way to help the working poor. The Government does need to consider whether the minimum wage is adequate as it currently stands to guarantee a decent standard of living (evidence from the Joseph Rowntree Foundation's Minimum Income Standard would suggest that it does not[103]) and whether increasing the minimum wage and other stimuli to improve a worker's return for their labour (further tax rate reductions for the lowest incomes) is necessary when other ways these working poor are helped (for example through tax credits) are being cut back.

Measuring impact A range of proxies can be used to monitor how this group is faring – statistics on mortgage arrears and repossession, new business start-ups and bankruptcies, employment rates among older workers and professional positions, and on low wage inflation as

predistribution improves the income of those at the bottom of the income distribution scale.

Full house families

This group, the second most prevalent among those experiencing child poverty, consists of large families mainly living in deprived neighbourhoods and in poor quality homes. They lack household durables and suffer deprivation. Yet in spite of this, like the grafters, they are still trying to manage with sophisticated budgeting strategies and by making sacrifices, and they have the same aversion to debt. They also share the same work ethic and the majority have at least one earner in the household, in a variety of industries and skills levels, while periods of unemployment usually result from needing to care for their children or because there are scarce opportunities locally – this is a source of frustration and a reason to relocate for these families.

Again, this portrait is far removed from the frequently painted picture of poverty associated with anti-social behaviour, benefits dependency and worklessness. Indeed, those in this group – the majority of whom are renters – are most likely to move to find work, to be near their support networks and to move to neighbourhoods with a comparatively low prevalence of anti-social behaviour and social or economic decline.

Taking this into account, it is clear that those in full house families are thwarted by the chronic lack of affordable rented housing, which would enable them to improve their income and quality of life through geographical mobility. Some of the families were clearly enduring overcrowded and inappropriate housing for the sake of being in a better neighbourhood (for example one that was safer or where jobs could be found).

What might a toolkit look like for full house families?
Description Those in the full house families are two-parent families, usually with several younger children and one parent

in work. Those from an Asian and non-white ethnic background are over-represented in this group, as are those with English as a second language. They are very much defined by their environment: they are usually renters, living in deprived neighbourhoods in urban areas, some in poor quality housing and often with some overcrowding.

They are the second least materially deprived of the poverty groups in our analysis, thanks to developing strategies to cope with low income – they have a strong work ethic and avoid debt – strict household budgeting and saving short term to pay for larger items.

Identification Because of their difficulties with housing, living in deprived neighbourhoods and their larger numbers of young children, those in the crowded housing group are likely to be on council housing waiting lists and to make social housing applications; they use Sure Start, children's centres and nurseries. Through interviewing such families we also found they had been in contact with local councillors and the police to tackle the crime and anti-social behaviour in their neighbourhoods.

The over-representation of Asian and other minority ethnic groups with English as a second language also points to the voluntary and community sector (including faith groups) as an avenue through which this group might be reached.

This group are workers, but not defined by a common skills level or occupation – they work in a range of jobs and targeting them through specific employers or unemployment or sickness benefits systems would be unfruitful. Similarly, they do not rely on debt advice services. However, they may well be claiming Tax Credits and Child Tax Credits, and possibly Housing Benefit – we know 17.8 per cent of Housing Benefit claimants are in work.[104] Their large numbers of young children means they will also be easily identified through child benefit claimant data – so finding this group through these datasets is another area to explore.

Harnessing existing resources Social housing providers, neighbourhood support services and community groups (including faith-based groups in some areas) are best placed to harness their resources to support these families. Joined-up solutions might include providing English language support and affordable childcare facilitated by social housing providers (for example, facilitating peer support groups within their tenancy population); and channelling Neighbourhood Watch and community action activities through faith groups and Sure Start centres.

Committing new resources The priority for assisting the full house families is in the provision of affordable and appropriate housing in areas of economic growth. Those in this hard working group have most difficulty in finding work because they live in deprived areas, and the anti-social behaviour, crime and lack of social networks have a big impact on theses families' wellbeing.

The solution for these families cannot entirely involve relocation – investing in communities to help full house families flourish in place is also important – they value their surroundings more than the quality of their home, but both require investment if children are to flourish and their parents are to secure gainful employment. They are not very engaged politically or through civic action, but their dissatisfaction with their neighbourhoods could be tapped and channelled into community activities to improve their surroundings.

For the majority who are in work, with long work histories, there is the same priority for action as for the grafters – predistribution to boost earned income, rather than redistribution in the form of tax credits will be central, not least because tax credits are to be reduced while the costs of living and childcare for these large families remains high.

Full house families are large, with young children and usually only with one earner – childcare is an obstacle to work. One potential solution might be to offer them support through the National Childcare Contribution Scheme, proposed by the Social Market Foundation.[105] Under this

scheme, working parents are given financial support from government, which is then recovered from parents through income-contingent contributions from future income. Such a scheme would resonate with these families' form of budgeting – short-term debts and 'stretching' of income in lean times until work is found.

These families are adept budgeters and manage their finances well, raising large families on few resources. Their saving is short term in nature – putting small sums by in order to make large purchases. This makes them ideal candidates for matched saving schemes – encouraging this natural tendency to save within a longer time frame through higher rewards, and enabling them (the majority of whom are renters) slowly to build assets.

Given that the majority of this group are private renters, the Government might look again at the quality of the private rental market (plans to license private landlords were dropped in 2010) and the risk of overcrowding in this sector. This is particularly important in the wake of Housing Benefit cuts, which will lead to more people turning to the cheaper end of the private rental market. As those in this group are often keen to move to better areas or to secure work, the Government could think creatively about working with large employers to offer job and housing packages in areas in need of labour, and targeting these opportunities through the channels outlined above.

Measuring impact In the absence of a repeat analysis, change to those in this group, like others, needs to be considered through a range of proxies associated with their lifestyle. This will also depend on where the Government focuses its efforts. So, therefore, change might be identified through a reduction of overcrowding in the private rented sector, a reduction in affordable and social housing waiting lists, and the reinvigoration of local economies and neighbourhoods with hitherto high levels of anti-social behaviour (particularly in urban areas that have larger black and ethnic minority populations). It may also take the form of reductions in Tax Benefit and Housing Benefit claims among large families.

Pressured parents

Pressured parents are the first of our 'struggling' groups. They are couples with several children and very low incomes. However, unlike the full house families, they are unable to make ends meet and are significantly materially deprived, behind in paying their bills, struggling to keep their homes warm and accumulating debt in lean times. This is in part due to their chequered work history, poorly paid work punctuated by long spells of unemployment, as well as high living costs associated with having several children, mental and physical illness, and poor housing in poor areas driving up costs associated with the 'poverty premium' (for example, everything from higher utilities bills through to poor access to transport, retail and financial services).

Pressured parents clearly need a range of multi-agency support, spanning health, employment skills and housing, as well as debt advice and budgeting skills.

What might a toolkit look like for pressured parents?

Description Pressured parents live in a type of poverty that is challenging to tackle, and comes with entrenched material deprivation, fuel poverty and difficulties in paying bills. Pressured parents are more likely than other parents to have large families, with two parents and four or five children, and most likely to have a child with a disability or have a disability or poor health themselves, as well as very likely to be unemployed or working in very low-skilled and low-paid jobs. Pressured parent families are also likely to be renting, in overcrowded and poor quality accommodation. Living in areas with larger black and minority ethnic populations, they are more likely to be from an ethnic minority group and not have English as a first language.

These factors interact within the group – low skills and employment are likely to cause financial pressure and material deprivation, impacting on the mental health of both parents and children within the family. In turn, living in disadvantaged neighbourhoods with few job prospects presents an obstacle to pressured parents finding work.

Identification Pressured parents are the third most prevalent child poverty type in the national population – forming 21 per cent of our sample of low-income families.

The key services with which pressured parents have most contact are health and social care – both adult and children's services and including mental health teams – Jobcentre Plus and Sure Start, children's centres and nurseries. The key voluntary sector organisations most likely to be helping pressured parents are debt advice organisations, carers' support services and respite, community groups associated with Asian or other ethnicities and asylum seeker support groups, and in some areas emergency food banks. In our interviews we also found they were in contact with debt management agencies and child protection services.

Those in this group are most likely to be social renters, so social housing providers are a key avenue through which to reach them. They may also appear on data related to housing arrears and utilities debts, unemployment and sickness benefits data, and local authority Housing Benefit data.

Harnessing existing resources Large families with young children, who are significantly materially deprived and have health needs, might be reached and helped by improving information sharing and joint working between schools, nurseries and children's social services, and health support services for parents. Support services should be aware that many in this group will be both caring for adults or children in poor health, and be in poor health themselves – requiring dual support mechanisms. This group's health needs may well be associated with or exacerbated by poor housing, and so health visitors and community nurses will be an important arm of health support for these families.

Pressured parents tend to either have strong links with their neighbours and families, or be socially isolated because of ill health – two ends of the engagement spectrum – so are less likely to access external community groups than others on low income. This may make them harder to reach. However, they may well be in contact with mosques and temples, and outreach through these channels should be investigated.

Those in this group are most likely to live in social housing or low quality, low rent private accommodation in deprived neighbourhoods, where they experience crime and anti-social behaviour. The inappropriateness of the size or location of their housing is a significant concern for them and they are often on waiting lists for social housing or a move. Nonetheless, a small number feel their housing, however poor, is an improvement on their previous accommodation, so they may not seek to remedy the situation. It might therefore be necessary to think laterally when finding pressured parents – not just to look at housing waiting lists but also to work with housing associations to see who is in arrears, and with residents' associations to help identify families in the community in poor housing and struggling to get by.

Social housing providers will be a key partner in identifying and helping pressured parent households. They should be co-opted as a partner in supporting health needs, improving employment outcomes and tackling material deprivation. The joint working of adult skills services, health outreach services and debt and budgeting advice services in social housing locations could help tackle this group's problems on all fronts simultaneously.

Committing new resources Pressured parents are eager to obtain work, but find this difficult for reasons beyond their control: having a caring responsibility for family members in poor health, their own poor health, and where they live – often their homes are in deprived areas where jobs are scarce.

Therefore, increasing affordable, warm, good quality and accessible housing – in areas where there are job opportunities – is vital to help pressured parents over the longer term. Social housing offering health support services in place would be ideal. Such a strategy could improve both health and employment outcomes.

Improving carer support services, with the objective of improving carers' own health and facilitating their access to employment, is another key investment priority. Health and wellbeing boards must be alerted to the importance of poor

housing and overcrowding as a driver of poor health among adults and children, and identify carers as a group at risk of poor health in their own right.

These families struggle most during periods of hardship (for example, times of unemployment or worsening health), when they usually fall into debt or cannot heat their homes. They are primary candidates for emergency loans or grants to bridge the gap in these periods. Responsibility for these grants is being devolved to local authorities. It is important for them to encourage pressured parents to take up the new local opportunities; raising awareness of the grants through the channels outlined above will be important.

Measuring impact Pressured parents have significant material deprivation and often unmanageable debt. These are the symptoms of this type of poverty, and may be the most 'visible' signs of it. These symptoms could be monitored by observing reductions in rent arrears and evictions, and fuel poverty rates among families with children. However, the key driver of this poverty is often unemployability – because pressured parents have poor health, caring responsibilities and live in deprived areas with few job opportunities. Any improvement to the lives of pressured parents will involve increased employment among disabled people and carers, reductions in housing waiting lists and reductions in overcrowding among large families, particularly those from black and minority ethnic groups, and possible changes to local datasets related to Housing Benefit.

Vulnerable mothers

Vulnerable mothers are usually young single mothers, living with significant material deprivation in very deprived areas. They are the only group in our analysis who were identified (and self-identified) as benefits dependent. From a policy point of view, this group has had the greatest focus, with resources, schemes and interventions targeting it. It is interesting to note that this is the second least common form of child poverty

(only 18 per cent of families in low income fall into this group), yet the policy and media focus suggests that it is the most prevalent.

It cannot be denied, however, that vulnerable mothers endure multiple indicators of disadvantage, requiring multi-agency support in both an economic and social sense. This group, and pressured parents, are likely to be the most resource intensive when tackling entrenched poverty and associated problems.

What might a toolkit look like for vulnerable mothers?
Description Vulnerable mothers are most likely to be young single mothers, living in social housing. They have poor physical – in particular mental – health and very low skills levels. As a result of this and their inability to afford childcare they are very likely to be unemployed. Many are socially isolated and disengaged, living in poor housing in very deprived neighbourhoods. These factors interact within the group – poor mental health prevents their employment, and unemployment exacerbates their mental health problems.

Identification Vulnerable mothers are easily identified and easily reached: they are likely to be in contact with a range of services and will appear in unemployment, sickness, housing and income support data. Indeed, our interviews found that they were in contact with a veritable plethora of local services, including Jobcentre Plus, alcohol dependency support groups, cognitive behavioural therapy and psychiatric support services, debt support workers, women's aid groups, rehousing teams, local councillors, welfare advisers and so on.

Therefore this group does not necessarily need 'more' help, but instead more coherent and integrated help to bring all of these services together to tackle problems simultaneously and more effectively. Given their multiplicity of problems, it is important that they are identified in the same way: these families will be identified as those who receive several benefits, are single mothers with children, live in social housing, are possibly in arrears or reporting other debts, and have health problems.

Harnessing existing resources Single younger mothers with young children, who are significantly materially deprived, have health needs and low skills, might be helped by bringing together a range of existing services already in touch with these families. By improving information sharing and joint working, their work is likely to be more effective. Sure Start, nurseries and children's centres, health (particularly mental health) support services, health visitors and community nurses and social housing providers might do well to share their insights and coordinate their work with these families.

Affordable childcare, training and condition management are key factors to improve employability for this group, and could be provided in tandem through colocating these services (perhaps through social housing providers, which house the majority of this group).

Social housing providers will be a key partner in identifying and helping vulnerable mothers. They should be co-opted as a partner in supporting health needs, improving employment outcomes and tackling material deprivation. The joint working of debt and budgeting advice services in social housing locations could help those in this group tackle their problems on all fronts simultaneously, as would linking up with credit unions and other sources of affordable lending for families who rely on short-term, high-cost credit options to make ends meet.

Committing new resources As vulnerable mothers depend on benefits for their income, the comprehensive reduction or freezing of a range of benefits through the Welfare Reform Act will affect them the most. As they are currently barely surviving financially, it is likely that welfare cuts will push these families further into debt and be detrimental to their mental and physical health. It is likely that the cost savings made through welfare cuts will in fact be passed to support services who will see an increase in demand and severity of problems. This is because they are already the focus for policymakers and practitioners across a range of services – significant resources are already committed to this group.

Nonetheless, these may not be joined up in a way which uses them to greatest effect – as we describe above, this group needs housing, health, education and employment support (including childcare) simultaneously. There is little point in increasing free childcare to this group with the intention of helping them into work without also tackling their poor health, poor skills and – in some areas – local deprivation, which makes employment very difficult to find.

When employed, vulnerable mothers take on temporary and low-skilled employment, so ensuring these jobs are more rewarding than benefits is an important objective that the Government has taken on through the introduction of Universal Credit. Nonetheless, this may not mitigate the impact of overall cuts for households that are so financially precarious.

Simultaneous and coordinated delivery on all fronts will be key, and new investment might best be spent in bringing these existing services together or in creating a new combined service – for example bespoke employment support for those with poor skills and mental health needs, which also offer crèche services. Vulnerable mothers will not be able to make use of the Government's offer of childcare while in work without first overcoming their other barriers to employment, which also require childcare. The type of joined-up health, adult education and childcare on offer from children's centres would be very useful for this group – cuts to local authority budgets are leading to the closure of these services but investment in their expansion and targeted encouragement of their take-up are what is needed to help these families.

Social isolation – lack of contact with adults – is also prevalent among these young parents, and encouraging befriending, mentoring or peer networks among these groups through their common attendance at Sure Start, Jobcentre Plus, debt advice or health support services would also be beneficial at tackling their sense of isolation and depression.

These families frequently struggle to make ends meet, usually fall into debt and are unable to heat their homes. Pressured parents are candidates for emergency loans or grants

to bridge the gap in these periods. Allocation of these grants is being devolved to local authorities, and it is important for them to encourage vulnerable mothers to take up these new local opportunities rather than relying on doorstep lending; raising awareness of the grants through the channels outlined above will be important.

Vulnerable mothers also fall foul of their deprived neighbourhoods. Very few have a car, and the low local availability of jobs, and affordable and suitable housing, and the presence of crime and anti-social behaviour and wider social problems, are drivers of their entrenched poverty and poor mental health. While investment in services to support this group holistically is vital, investing in their environment is also important. Volunteering, civic service and community engagement are important opportunities to create in these disadvantaged neighbourhoods, to help improve community cohesion and to help disengaged and isolated single parents to develop social networks and improve their employability and self-esteem.

Measuring impact Vulnerable mothers have significant material deprivation and often unmanageable debt, and they depend on benefits. These may be the most visible symptoms of this group's poverty and they could be monitored through reductions in rent arrears, evictions and use of doorstop lending. However, the key driver of this poverty is often unemployability – because of poor health, poor skills and living in deprived areas with few job opportunities. Progress on these fronts will include increased employment and take-up of childcare, improved adult education among these single parents and a shift from benefits to tax credits claims.

Managing mothers

Managing mothers are older single parents, with slightly older children. They experience far less hardship than the vulnerable mothers because of their higher skills levels, long work histories and strong financial capability. It is important to bear in mind that not all single parent households are the same, nor face the same problems: the vulnerable mothers with multiple barriers to employment and financial hardship should not be mistaken for the managing mothers after a cursory assessment of the demographic make up of their household.

As a consequence of their attitude to benefits and debts, their work ethic and the importance they place on putting their children first, managing mothers are far more likely to respond to 'hand up, not hand out' type schemes, including opportunities to boost their income through work while avoiding negative benefits (for example tax credit) interactions. They report some mental health problems associated with having a low income and not being able to provide for their children or meet their aspirations.

What might a toolkit look like for managing mothers?
Description Managing mothers are older single mothers who have a good work history, but many are unemployed. They work hard to ensure their children do not go without but their lack of work, or inability to make work pay, is a source of stress and concern.

Identification Managing mothers are likely to be proactive job hunters when unemployed, and proactive in seeking advice and health support. Therefore Jobcentre Plus, debt advice services (in lean times), Citizens Advice, GPs and mental health support teams are likely to be in contact with these families, but it is clear that their ability to cope means they are unlikely to be in contact with the wide range of support services used by vulnerable mothers. Thus these single mums can be identified through their absence from the services and datasets most commonly used to identify (and make assumptions about) single mothers. Half of all managing mothers work, compared with 10 per cent of vulnerable mothers, so targeting help through employers might also be an option.

Harnessing existing resources Childcare is a barrier for managing mothers considering working more hours or

pursuing job progression, so encouraging employers to link to childcare (rather than crèches) is one way of joining up thinking to help this group in particular. Using employers to encourage healthy living and support for mental health (stress, anxiety and depression) will also help the managing mothers.

Committing new resources As with the grafters, investing in more rapid return to work support for those who are recently unemployed and are skilled, experienced and eager to return would be useful for managing mothers. The Work Programme and Jobcentre Plus offer is not entirely helpful for these parents. Efforts to increase wages would most help managing mothers, whose reluctance to engage with further work is attributable to their worry about the negative effect it would have on the benefits they claim (for example if they were to work more hours). Universal Credit and other welfare reforms will no doubt reduce overall benefits rates to make work always more attractive, but this is not the best way to improve the wellbeing of those with a strong work ethic and aversion to benefits dependency. Ensuring wages properly reward managing mothers who have long work histories and good qualifications, but may be working part time, will be key. Being able to contribute to the National Childcare Contribution Scheme, proposed by the Social Market Foundation,[106] would be an attractive solution for managing mothers, as they would be able to increase their earnings if given more childcare and would then be in a position to pay back their childcare contributions.

Measuring impact As managing mothers are somewhat invisible from many datasets and services, they are harder to reach and track than other poverty groups. Nonetheless, improving the situation of managing mothers might show up through improved employment for those in this group and in their reduced tax credits, as well as changes in Council Tax Benefit or Housing Benefit claims.

Overview

In this chapter we have further reflected on the five child poverty types presented in chapter 3. We have reviewed the types of services likely to be in contact with these groups, and how they might be coordinated to support each group better. Clearly, this is a brief overview of the types of joint thinking that could take place, but inevitably this work will need to be done at local level and matched to local resources and service profiles. We explain this further in chapters 6 and 7.

Intervention might be seen to fall into two categories. The first is economic, linked to childcare, predistribution to make work pay, and some more rapid but lighter touch assistance to help well-skilled and experienced people return to work quickly before their hardship becomes entrenched. These groups might be deemed the 'easiest to help', but in the current policy environment and with limited resources they are often overlooked by policymakers because they are seen to be 'getting by'. Given the state of the economy, we would suggest that the Government should not be complacent about the ability of those in these groups to lift themselves out of poverty unassisted. The ability to 'get by' may not last forever, and our findings clearly point to a link between entrenched and longer term poverty with growing social problems.

The second form of intervention is economic and social, requiring multi-agency and whole family support. As a result of the complex interaction between cause and effect for these groups in poverty it is very difficult to select one issue to resolve – poor housing might feed poor health, which undermines the ability to work, which exacerbates poor mental health, which in turn lowers job prospects. It is important, therefore, to tackle these group's multiple and varied problems simultaneously, which is resource intensive. Nonetheless, resources have already been committed to undertaking such work and there is a clear policy focus, not to mention a commitment by most public services and charities to help the most in need – as result of prioritising the deployment of scarce resources. We would suggest that improved long-term, evidence-based and strategic coordination – which these findings could help guide – will facilitate a more effective use of these resources and achieve greater value for the Government's expenditure.

5 Older people and households without children cohorts

In the previous chapter we described in detail our findings related to families with children in poverty according to the 70 per cent measure – what we in the UK commonly describe as 'child poverty'. We focused our resources to carry out qualitative follow-up analysis in this area because tackling child poverty is the Government's top priority through the Child Poverty Act 2010 and Strategy 2011, and also the focus of local authorities' activity. People working in local authorities in our pilot areas (see section 2) were particularly interested in how our analysis might assist them in better understanding and tackling child poverty in their area.

However, the issues of pensioner poverty, and indeed the poverty endured by households without children, are also important. For example, we know that 1.8 million pensioners live in poverty, 1.1 million live in extreme poverty,[107] and a further 2 million pensioners are deemed 'at risk' of poverty.[108] There are 1.2 million pensioners who have no income but state pension[109] and two-fifths of pensioners who are entitled to Council Tax Benefit and a third of pensioners entitled to pension credit do not claim it.[110] Pensioners aged 75 or over and women pensioners are most likely to be in poverty, as are those from ethnic minority backgrounds.[111]

There will also be 4 million adults without dependent children living in poverty by 2013,[112] significantly outnumbering the 2.5 working-age parents behind the child poverty statistics. The IFS has estimated that by 2020 working-age childless households in poverty will rise to 4.7 million – the fastest growing type of poverty in Britain.[113]

These two further types of poverty are as substantial a challenge to policymakers and practitioners as child poverty, though they receive relatively less attention. NatCen undertook

the same latent class analysis to provide initial insights into these other two cohorts, the findings and implications of which are presented below, but clearly further work is needed to investigate these cohorts fully.

Pensioner types

We excluded the indicators related to caring for a child and working status for the pensioner cohort. According to our analysis, using the remaining indicators, there are distinct groups of pensioners who all have low income in common but are characterised by a wider set of interrelated factors:

· stoics
· coping couples
· cheerful grans
· trouble shared
· left alone

Type 1: Stoics

This group is more likely to have the characteristics listed below than other pensioner groups, though the actual incidences of these traits may not appear especially high. For example, only 50 per cent of the stoics are renting their homes, but this is a key characteristic of the group because the average of pensioners with low incomes renting is around 29 per cent. Stoic pensioners are also more likely than other pensioner groups to:

· have no qualifications
· live in overcrowded accommodation (living quarters too small to suit needs)
· lack typical consumer durables
· not own a car
· rent their property
· describe themselves as doing alright financially
· have low levels of support from family members
· have little interest in politics
· live in more disadvantaged neighbourhoods

This is the largest low income pensioner group, accounting for around a third of pensioners living on low income. The group consists of mainly female pensioners living alone, and contains the oldest pensioners. They lack typical consumer durables and do not have a car. They have high levels of physical health problems, and the highest level (81 per cent of the group) with no qualifications (though it is more common for older people to lack qualifications – according to the 2001 Census, 62 per cent of people above the pensionable age have no qualifications). They live in more deprived neighbourhoods but the group is split almost 50:50 between those who rent and those who own their homes outright. The level of home ownership (48 per cent) of those in this group is second lowest of all of our poverty types. They also have the lowest level of family support.

Despite their material deprivation and very low income, most stoic pensioners report that they are not struggling financially and very few are behind in paying their bills or report struggling to heat their homes. This suggests that this group comprises mainly of widowed older people who live alone and feel they are 'getting by' despite experiencing hardship, isolation and physical illness. Interestingly, the group is split almost equally between home owners and renters. It is important to recognise this dichotomy when considering how best to help this group – for example those with unmortgaged assets might attempt to tap into them to boost their income and ease their material deprivation, but as they feel they are 'coping' they may be resistant to such intervention. Those with homes are unlikely to be eligible for social care, despite their poor health and low incomes, while those who are renting are most likely to be receiving state funded social care and so could be reached in this way. The former group may well have contact with NHS services – GPs, health visitors and community nurses.

As stoic pensioners consider that they can manage on their own they are less open to direct action to improve their quality of life than other groups. To ensure that they do not suffer undue hardship, local authorities, charity groups and

the DWP should ensure they claim all they are entitled to, and build resilience by improving social networks (in the absence of family support).

Type 2: Coping couples
These are the key characteristics of comfortable couple pensioners. They:

· are highly educated
· own their own homes
· do not lack any typical consumer durables
· receive lots of family support
· are politically engaged

This is the second largest pensioner group (making up 23 per cent of pensioners living on low income), and consists mostly of pensioner couples, who have very low incomes, but experience very little material disadvantage (because of their savings and assets). Almost all own their own homes (unmortgaged) and at least one car. They have some physical health troubles, but very few mental health problems, are highly qualified and tend to live in the least deprived neighbourhoods. They have good, regular contact with their families, and are interested in politics.

Those in this group are likely to be outgoing, active and articulate couples who have healthy savings after having had good jobs in their working years. However, their very low incomes suggest that they (like many older people) are under-pensioned, which is what places them below the poverty line. Their assets, good health and links with their family act as protective factors for now, nonetheless, these can and do often run out, and over time coping couples are likely to fall into one of the other groups. Again, it is important to ensure they build social networks in their neighbourhood, make use of services that maintain healthy ageing, keep their home in good repair, and consider financial products (such as annuities) that make best use of and sustain their assets so they do not experience greater hardship as they age.

Type 3: Cheerful grans
These are the key characteristics of the cheerful grans. They:

· have no physical health problems
· live in some of the least deprived neighbourhoods
· describe themselves as living comfortably on their income
· have a high level of social participation
· have their own cars

Around one in five low-income pensioners experience this type of poverty. Those in this group all live alone, and are mostly women. They lack some durables, but – like coping couples – live in less deprived neighbourhoods, and are likely to own their own homes. They are much healthier (mentally and physically) than the other pensioner types, and are the most likely of the pensioner groups to own a car. They are the second most likely group to have a high level of qualification, and most likely to say they are living comfortably despite having low incomes.

Interestingly, although they have the highest incomes of all our pensioners on low income (they are just above or on the poverty line) and most likely to report living comfortably, they are more likely to have some material disadvantage (lacking household durables) than the very low income coping couples. This might be because these women live alone. They also report lower social support than other pensioner groups, and have the second lowest level of family support, suggesting isolation might be (or become) a problem if their health deteriorates.

The policy response to this group ought to be very similar to that for the coping couples – recognising that slightly better income and home ownership are protective factors in maintaining wellbeing for the present, but poor health and isolation need to be guarded against to prevent the comfortable widows falling into one of the other less well-off groups. It is important to remember that the term 'comfortable' is relative – these pensioners are still living below the poverty line, and still require some assistance in maintaining their wellbeing even while reporting to be doing well.

Type 4: Trouble shared
These are the key characteristics of the trouble shared pensioner group. They:

· have low levels of social participation
· have poor physical and mental health
· often own a car which is shared between household members

This group accounts for around 18 per cent of pensioners living on low income. This group consists of couples, lacks some durables, and lives in more deprived neighbourhoods. Although their income (like that for comfortable widows) is on or around the poverty line, they are more likely to rent (27 per cent of them do) than the stoics and coping couples, who are primarily home owners. Therefore, they have lower disposable income, perhaps explaining why they have greater material disadvantage and report experiencing more financial difficulties than others with similar incomes. They also have the second worst mental health of all the groups and poorer qualification levels than the coping couples and cheerful grans.

It is likely that those in this group were less able to accumulate assets during their working life, and are less likely to own a car, home and material goods than coping couples. This affects their wellbeing, including their mental health and perceived levels of hardship – even though their income is slightly higher than the more comfortable groups.

This suggests that when dealing with pensioner poverty, income is not the only ingredient in ensuring an improved standard of living – standards of living are also related to the assets accumulated in working life, and the costs of living. Those in this group – who are more likely to rent, not have a car, live in more deprived areas and have physical and mental health problems than the coping couples – will no doubt have a higher cost of living as a result. For example, they may need to take taxis more often as they may be unable to access public transport, may be further from supermarkets and other better value retail outlets, and further from non-charging ATM machines; a larger proportion will have to pay rent rather than

be living mortgage free and may have pre-pay meters for their utilities, and so on. Simply boosting income (for example, encouraging the take-up of under-claimed benefits) may not help this group as much as others. Ensuring there are warm, accessible and affordable rental properties (ideally with care services provided alongside) in safe areas will be important to this group – whether they rent or live in their own homes, those in this group may want to move to improve their quality of life.

Type 5: Left alone
The key characteristics of the left alone pensioners. They:

· describe themselves as finding it very difficult to cope financially
· struggle to afford to heat their homes
· are behind in paying bills
· have poor physical and mental health
· receive lots of support from neighbours

This is the smallest pensioner group (8 per cent of low-income pensioners). Living alone, pensioners in this group have very low incomes and are extremely deprived on both material and lifestyle measures, and are most likely to struggle to pay their bills and keep their homes warm. Along with the stoics, they are most likely to rent, with half the group renters and half owners. Within the group there are extremely high rates of physical and mental health problems and low levels of qualification. They live in deprived neighbourhoods and, unsurprisingly, report that they find it difficult to cope financially. On the other hand, they also experience the highest level of social support from their neighbours.

This group requires the greatest level of multi-agency support – the smallest group of pensioners on low income, they are at the extreme end of all the indicators we used, demonstrating how multiple disadvantage can pile up and have a significant detrimental effect on groups living with low income. Again, it is clear that improving this group's income will not tackle their entrenched problems, and their lack of assets

accumulated through their working lives – and higher living costs associated with poor health, renting and living in deprived neighbourhoods – have a significant impact. This group's housing and health are primary concerns and suitable, warm and safe housing, with accessible care, must be the priority.

Working-age households without children poverty types

Using the same set of poverty indicators (except 'caring for a child with a health condition or disability', which is irrelevant for childless households), NatCen applied latent class analysis to households earning less than 70 per cent of median income containing working-age adults but no children. We identified five main types of poverty in this group:

· new poor
· insecure singles
· stressed groups
· one man bands
· empty nesters

Type 1: New poor
These are the key characteristics of the new poor. They:

· are in work
· do not lack consumer durables
· live in some of the least deprived neighbourhoods
· are homeowners (generally with a mortgage)

This group makes up over a quarter of childless working-age households. Households tend to contain multiple adults, often headed by people in their 50s, though there are also some under 30s. They fare well across the vast majority of indicators: most own their homes, many have a degree, and they report little financial stress, but between half and two-thirds are unemployed. They live in the least deprived neighbourhoods. Without further qualitative analysis it is difficult to explain these families'

situations, but it is possible these households might be middle-aged couples with adult children still living at home, who have recently been made redundant or are self-employed and experiencing a dip in income associated with the economic downturn.

Their former higher incomes have enabled them to maintain a relatively high standard of living despite a drop in income, and in this sense they are similar to the grafters child poverty group. A similar response will be necessary to help this group not fall into increased hardship through an extended period of lower income, particularly as many have a mortgage to pay. Rapid return to work is key. Given these households are older (often in their 50s), the problem of middle-aged redundancy in the current economy needs to be tackled through engagement with employers and skills providers.

Type 2: Insecure singles
These are the key characteristics of insecure singles. They:

· live in overcrowded accommodation
· have poor mental health and physical health
· own a car which is shared by household members
· describe themselves as finding it quite difficult to cope financially

This group accounts for just over one in five of all childless, working-age households on low income. These are overwhelmingly single adult households, predominantly renting their homes, whether in private or social housing. Members of this group tend to be deprived and lack consumer durables, and are often behind with paying their bills. They report struggling financially, live in the most deprived neighbourhoods, struggle to heat their home, do not have a car and are likely to be unemployed. They have the lowest skills levels of all of the childless groups and the highest rates of physical and mental health problems.

Insecure singles are likely to be the most marginalised and socially excluded in society, suffering from multiple problems in

health, housing and education. Given their situation, they are likely to have had a patchy work history, fluctuating between unemployment and low-paid work, so they have been unable to build up any savings or assets and may well be going into debt to make ends meet. It is likely their poor qualification levels are driving this problem, although their poor health (which may have been both a cause and result of their material deprivation) is also a barrier. Multi-agency support to tackle mental and physical health problems, improve their housing (which may be contributing to their health problems) and skills (which could help them not only improve employability but also engage socially and ward off isolation) are all necessary steps to help those in this group out of poverty. In-creasing income through benefit transfers will only tackle the symptom rather than the cause – it is clear than this benefits dependent group will be disproportionately affected by welfare cuts and their health and financial wellbeing may suffer as a result (ironically, moving them further away from the labour market).

Type 3: Stressed groups
These are the key characteristics of stressed groups. They:

· have no qualifications
· are behind in paying bills
· struggle to afford to heat their homes
· are in poor physical and mental health
· describe themselves as finding it very difficult to cope financially
· live in some of the most disadvantaged neighbourhoods
· rent their homes
· do not work
· have low levels of social participation
· have low levels of political interest

Just over one in five childless working-age households are classed as stressed groups. These households are more likely to be non-white British, and are primarily social renters living in the most deprived areas. Almost all contain multiple adults, and they are at higher risk of overcrowding and fuel poverty. Qualification

levels vary in this group but employment levels are low, and they are most likely of all the childless working-age poverty groups to be behind in paying their bills. They have reasonable physical health, but are much more likely than other groups to have poor mental health. While both neighbourhood and family support networks are strong, group members tend to have low participation rates and little interest in politics.

These households may well be groups of related adults, or flatmates, blighted by low employment and without the coping strategies associated with those families able to budget effectively and manage on very low incomes. This may be a result of a long unemployment history or recent and unex-pected redundancy, so they have not had the opportunity to build savings and material goods to be resilient in times of low income, or indeed have not needed to learn how to cope on lower incomes because of being employed until recently.

A lack of skills and poor health are not obvious barriers to those in this group finding work, but living in poor areas might be. A lack of local employment combined with the increased costs of living associated with deprived neighbour-hoods could be pushing these households into poverty as well as multiple living: their overcrowding suggests they are attempting to reduce their rent through higher occupation, but could also indicate that one or two incomes are being used to support a larger group. This group needs to develop financial management and coping strategies to manage better in lean times, like other families in this study have done. This could involve financial capability support and debt management.

Type 4: One man bands
These are the key characteristics of one man bands. They:

· lack typical consumer durables
· describe themselves as doing alright financially
· receive little support from family members
· do not own their own car
· are very interested in politics

This single adult group accounts for 15 per cent of childless working-age households on low income. Their typical profile is non-white British males under 30 who are renting. Although they have some of the lowest incomes of childless working-age poverty groups and lack material goods, they manage to pay their bills on time and feel they are generally coping financially. Physical and mental health problems are not prevalent in the group, and there is an even spread of qualifications, but more than half of this group are out of work. Although they lack family support, they are active in the community and politically engaged.

This group can be directly compared with the insecure singles (who differ from this group primarily when it comes to having poorer health) and stressed groups (who have similar qualifications and unemployment status but experience far greater financial hardship). It is likely that the one man bands are not suffering from the same level of hardship as their two counterparts because they are healthy and live alone. This is perhaps reducing their living costs, giving them a better quality of life, and ensuring they are better able to cope with their low income financially and psychologically.

Type 5: Empty nesters
These are the key characteristics of empty nesters. They:

· are in work
· own their own car
· are highly educated
· describe themselves as living comfortably
· are homeowners (generally owning outright rather than paying off a mortgage)
· have high levels of social participation

This is the smallest childless working-age poverty group, accounting for just over one in ten childless working-age households. These are single adults, mainly in their 50s with some of the lowest incomes, but they are not struggling financially. They are equally likely to be unemployed as to be employed full time. They are comparatively well off in many domains; all own cars, most own their homes and live in less deprived neighbourhoods, and many have a degree. What they lack in neighbourhood support they make up for in frequent contact with their families and community participation.

Those in this group are likely to be either recently early retirees, leaving well-paid jobs perhaps through early redundancy, or divorcees with savings and assets to draw from. This group, like the grafters, may not seem to need help now, but as (in this economic climate) the unemployed may well not return to work before retirement while those who are working are earning a very small amount and therefore unlikely to be building up a pension, it is important that those in this group prepare financially for an extended retirement and take steps to ensure their assets last. Healthy and active ageing and staying engaged with their communities are other important steps in keeping this group empty nesters for longer.

Overview

While we do not have the qualitative insights into these two cohorts as we do with our child poverty types, the quantitative data still provides us with a rich source of information with which we can begin to create a picture about these groups' lives. Developing a more robust analysis would be necessary to draw out a fuller range of policy implications and suggestions regarding how each type might be tackled.

Nonetheless, some early indicators arising from these findings are already interesting – for example, we seem to have similar themes across all three cohorts – at least one newly poor-type group appears in each cohort, as do very similar single and couple households (either both coping well, or both struggling). The same conclusions made at the end of chapter 4 on the difference between economic and social problems dividing the groups can be made here, and

there is a clear division between the 'copers' and 'strugglers' as they face multiple problems in the face of hardship. It seems clear that people's earlier lives dictate their ability to cope with poverty in the here and now – their work history, qualifications, earlier income and life experiences all built financial and emotional resilience to low income. In this way it is possible to predict not only those households 'at risk of poverty' but also those with the least resilience and therefore most at risk of the negative effects of poverty.

Looking across the three cohorts
Our quantitative analysis of the Understanding Society data also allows us to make some preliminary comparisons across the three different cohorts – families with children, working-age households without children and pensioners.

Figure 17   **Prevalence of poverty indicators by life stage**
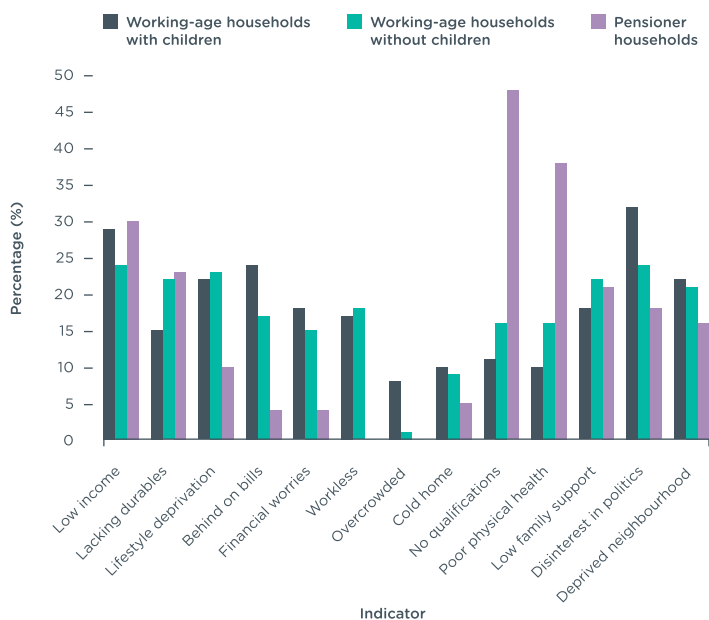
First, as figure 17 shows, it is possible to compare the prevalence of a variety of indicators of poverty across the three life stages, where some important differences emerge. Families with children are the most likely group to be behind on bill payments (24 per cent), to live in overcrowded accommodation (8 per cent) and to be disengaged from politics (32 per cent). Working-age households without children have higher rates of material deprivation (23 per cent) and pensioner households are more likely to have no qualifications (48 per cent) and poor health (38 per cent). Some of these findings are due to the particular circumstances of households in each life stage. For example, families with children often have larger families and hence require bigger accommodation, and pensioners suffer from deteriorating health as they age – all of which supports the decision to consider the poverty experience of each life stage separately, rather than roll it into one all-encompassing analysis.

Second, people living on a low income in each of our cohorts are likely to have different cumulative experiences of poverty – by this, we mean the number of disadvantages being faced by the same household, in addition to low income.

While the presence of a disadvantage can create difficulties for households, it is likely that the experience of poverty is exacerbated for those who face a number of disadvantages at the same time – especially if experiencing multiple disadvantages when living on a low income. Figure 18 illustrates this for income-poor households in each of the three life stages. The analysis counts the number of poverty indicators households experience on top of low income; for example low income plus one or two other disadvantages.

In our analysis we have not followed the model of multi-dimensional poverty developed by Sabina Alkire and James Foster at the Oxford Poverty and Human Development Initiative, which counts the number of dimensions of disadvantage experienced by a household, and deems all households that experience above a certain number to be poor. All of the households in our sample are deemed to be poor by dint of their low income, but knowing the number of dimensions likely to be faced by different groups (pensioners as opposed to

families, for example) helps us to understand the nature of their poverty experience.

Figure 18 shows that only a minority of households experienced only low income and none of the other disadvantages. This figure was as low as 2 per cent for pensioner households, partly explained by the high rates of ill health and low education experienced by that life stage. Some households experienced a large number of disadvantages alongside low income: 15 per cent of income-poor families with children faced low income plus seven or more other disadvantages; the corresponding figures for income-poor households without children and income-poor pensioner households were 11 per cent and 3 per cent respectively.

So far, we have only looked at the relationships between low income and the other poverty indicators. In the course of creating our poverty typologies, we also looked at which pairs of disadvantages were most strongly related – which pairs of disadvantages (aside from income) tended to occur together for income-poor households.

This provides an indication of which disadvantages may occur within a poverty type. The following pairs of disadvantages had the strongest relationships across all life stages (presented in no particular order):
- material deprivation and being behind with paying bills
- material deprivation and having a cold home
- material deprivation and financial worries
- financial worries and being behind with paying bills
- financial worries and having a cold home
- financial worries and mental health problems
- mental health problems and a cold home
- low education and worklessness
- disinterest in politics and poor education

The strongest relationship for all life stages was between material deprivation and financial worries, but particularly so among working-age households without children and pensioner households.

None of these pairings are particularly counterintuitive, and alone they do not tell us anything new about poverty. It is the *combinations* of disadvantage across multiple dimensions that constitute our distinct poverty types. Though not all households in a particular poverty group will be exposed to exactly the same combination of disadvantages (because of the sheer number of possible combinations), our typologies group together households that experience similar combinations of disadvantages, and combinations that make them different from households in the other poverty groups. To tackle multi-dimensional 'types' of poverty, it is these particular sets of problems that must be addressed, and the responsibility for doing this, as we explore in the second part of our report, falls to local government.

Figure 18 **Number of disadvantages experienced by income-poor households, by life stage**

Legend:
- Low income only
- Low income + 1-2 other disadvantages
- Low income + 3-4 other disadvantages
- Low income + 5-6 other disadvantages
- Low income + 7 or more other disadvantages

Percentage (%)

x-axis categories: Low-income families with children; Low-income working-age households without children; Low-income pensioner households
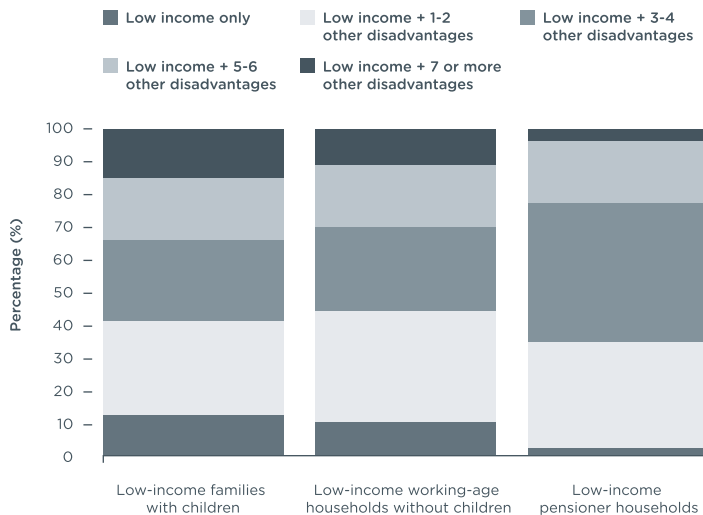
SECTION 2:
Local Poverty

6 Local poverty and data sharing – an introduction

[The obstacles to understanding the local in-poverty population are] [r]ecognising that everyone's different and needs different forms of support, different incentives or ways of approaching [them] and we just do not have that data. It's getting that sort of data and making it available in a way that people can use. The issue is increasingly becoming affordability.

Staff member in pilot local authority

This report has so far considered the national picture of poverty in the UK today, and presented our analysis of Understanding Society – a national dataset – which has generated a number of national poverty types which have a range of interesting implications for national policies, from health to housing and education.

However, we must remember that the fight against poverty is won and lost at local level. Local authorities and charities are at the coal face when it comes to helping families struggling to make ends meet, and Demos felt it was important that any work we produced could be used somehow at local level to help local agencies and charities combat poverty and disadvantage.

In the second section of this report we explain how we went about this by piloting our work in three local authorities, marrying our national analysis with local datasets and insights from front-line local authority staff and charities.

In this chapter we provide an overview of some of the ways in which local authorities currently tackle disadvantage and the wider policy context in which they operate, including some of the recent policy innovations which have prompted a more holistic multi-agency approach to social problems and have driven the sharing of information at local level.

Holistic interventions

The idea of tackling a social problem through multi-dimensional analysis and multi-agency, holistic or whole-household responses is not new. The way our analysis could prompt a range of coordinated interventions, targeted at household level, arguably has heritage in the original conception of social work and whole family support from the 1970s, which the 'reclaiming social work' agenda is trying to recapture. More recently, schemes such as Total Place and the Family Intervention Programme have furthered joint agency approaches.

Total Place

Total Place was an 'initiative that looks at how a "whole area" approach to public services can lead to better services at less cost'.[114] It was launched in the 2009 budget and has been described by Liam Byrne and John Denham as 'putting the citizen at the heart of service design'.[115] Communities of Practice referred to the Total Place initiative as consisting of 'a small group of individuals who have been working together to address the needs of families with multiple issues that one agency cannot deal with alone'.[116]

It was originally a pilot programme in 13 areas de-signed to look at how public money was spent in a specific area and how it could be spent more efficiently. It brought together leaders from public sector bodies to determine the needs of the area and then established working groups to overcome organisational barriers and disputes over realms of responsibility, problems that were considered to get in the way of inter-agency cooperation.[117] The programme was designed to bring together public service leaders, voluntary organisations and businesses to provide a wider range of public services. This was motivated by the view that volun-tary groups offered innovative programmes that would sometimes have greater success than statutory services.[118] It was felt that if there could be a 2 per cent saving by 2013/14, £1.2 billion in funding for England would be freed up.[119] In short, the pilot programmes were attempts to identify how best to provide holistic public services for families while saving money at the same time.

David Parsons, Chair of the Local Government Association Improvement Board, described Total Place as presenting 'significant opportunities for local government to set the direction for the next phase of public sector reform' while Lord Bichard of the Institute for Government stated that Total Place 'is not just another Whitehall initiative. It is about giving local providers the incentive to work together in new ways for the benefit of their clients and citizens.'[120] However, Parsons cautioned that 'success will depend on strong leadership, innovation and strong partnerships based on an expert understanding'.[121]

Liam Byrne, then Chief Secretary to the Treasury, and John Denham, then Secretary of State for Communities and Local Government, described Total Place as 'present[ing] huge opportunities to deliver true transformation in all areas of the country' and described it as part of their 'compelling and ambitious vision'.[122]

Total place and the Coalition

The Coalition Government has had reservations about the Total Place programme, viewing it as a 'Trojan horse to grab more power, responsibilities and funding'.[123]

The 13 pilot programmes have provided the Treasury with a map of where £82 billion is spent in local communities and charted the public service use of 11,000,000 people.[124] The focus in each area was somewhat different; Croydon's pilot programme focused on children and young people, for example.[125] The pilot schemes had three steps:

· to learn what local people think about particular services and what they value
· to identify the different groups that are involved in service delivery
· to map the resources currently used and plan efficiencies[126]

Following the pilot report, the plan was to expand Total Place across more areas, but as the government changed so Total Place was transformed into community budgets, based on

the Coalition Government's 'fundamental rejection' of what they believed Total Place represented: more statism.[127] Instead of rolling out the Total Place programme across the entire country, a new pilot of community budgets has been introduced instead. Community budgets are framed with a level of scepticism of the ability of local authorities to implement changes and some groups, such as the Troubled Families Team, have not engaged positively with the new pilot programme.[128]

A community budget 'gives local public service partners the freedom to work together to redesign services around the needs of citizens, improving outcomes, reducing duplication and waste and so saving significant sums of public money'.[129] The new pilot schemes follow a broadly similar focus to the Total Place programmes, creating a joint team of service providers, establishing local budget proposals and attempting to make significant savings through agency coordination.[130]

Family intervention projects and troubled families
Family intervention projects developed out of the Government's anti-social behaviour strategy, which has focused on tackling anti-social behaviour such as neighbour nuisance. They have drawn on the pioneering work of the Dundee Families Project established by NCH in 1995.[131]

A national network of family intervention projects was set up as part of the Respect Action Plan, launched in January 2006. These projects aimed to reduce anti-social behaviour perpetrated by the most anti-social and challenging families, prevent cycles of homelessness because of anti-social behaviour and achieve the five Every Child Matters outcomes for children and young people. Family intervention projects use an 'assertive' and 'persistent' style of working to challenge and support families to address the root causes of their anti-social behaviour.

There are different ways in which the service can be delivered; through:

· outreach support to families in their own home
· support in temporary (non-secure) accommodation located in the community – the dispersed option
· 24-hour support in a residential core unit where the family lives with project staff [132]

These projects are delivered either by local councils or by private contractors to launch 'assertive and non-negotiable interventions',[133] taking a different approach from the traditional interventions by social services through the deliberate emphasis on the outreach workers ingraining themselves with the vulnerable families and developing an eight-point model for success:

· recruitment of high-quality staff
· small caseloads
· a dedicated key worker who works with one family
· a whole family approach
· staying involved with a family for as long as necessary
· the creative use of resources
· use of sanctions with supports
· effective multi-agency relationships[134]

They are targeted only at those families that are considered to be the most serious anti-social behaviour offenders. Despite the potential use of sanctions, the identified families can join the project of their own accord if they wish to do so and there is space.

Bristol City Council provides the following criteria for joining:

· sign a family behaviour contract
· sign a support plan
· attend regular or timetabled family group conferences or multi-agency meetings
· participate in chosen parenting support programmes
· attend arranged family activity sessions[135]

On the whole, the evidence suggests that these programmes have been successful. Action for Children, which runs numerous family intervention projects, has reported a 64 per cent reduction in anti-social behaviour, a 70 per cent reduction in substance misuse, a 53 per cent reduction in alcohol use, and a 58 per cent reduction in bad behaviour, truancy and exclusion among young people.[136] Former Children's Minister Tim Loughton stated that family intervention projects 'show an overwhelmingly positive picture of how intensive family intervention can successfully turn around the lives of families who have many complex problems, often present for generations within the same family'.[137] Family intervention projects have also received positive feedback from the families involved; one mother stated, 'I was a disgrace' before being involved with the project and 'I wouldn't be able to do anything without this involvement'.[138]

However, not all the comment on family intervention projects has been positive. Tony Blair acknowledged as much when he wrote, when pursuing the strategy, that 'we will, once again, as a government, be under attack for eroding essential civil liberties'.[139] Indeed, a report for the Centre for Crime and Justice Studies accused them of targeting 'the wrong people' and ignoring mental health needs, suggesting that they do not focus on the root causes of the problems of anti-social behaviour. It noted that 85 per cent of the parents involved in the projects were unemployed, 72 per cent were single parents and 80 per cent had physical or mental health problems:

The project demographics show us that most families were very poor, lone mother-led and in poor health. Fifty per cent were on anti-depressants; 75 per cent had an alcohol or drug abuse/addiction problem. We will see again and again over the years that most families were referred for mental health problems and social inadequacy, rather than for offending as the public understands it. In most cases, these health problems were not addressed in the projects.[140]

Cost is the single biggest problem associated with family intervention projects. The individual interventions by workers 'take as long as it takes'[141] and some cases have taken more than two years. For a worker to be heavily involved with a family for that long requires a large financial investment. Tellingly, 20 per cent of local authorities no longer provide a family intervention service following the Coalition Government's first round of spending cuts.[142] The projects also involve extra programmes such as parenting programmes, which can incur additional costs. Certainly, family intervention projects and family interventions in general stretch the resources of local authorities, though they would seem a worthwhile investment if Action for Children's estimate of their success is accurate.

The troubled families agenda has taken the focus away from family intervention projects, with Labour criticising the Coalition Government for investing in troubled families programmes while simultaneously cutting funding for family intervention projects when their remit is broadly similar.[143] The somewhat seamless association between the troubled families and family intervention projects programme has helped to cement the erroneous association described above between troubled families and anti-social behaviour. For example, BBC News covering the announcement of the Government's commitment of additional resources to help local authorities tackle troubled families, while facing criticism of cutting funding to family intervention projects reported: 'Under the Government's measure, families need to meet five out of seven criteria – including truanting children, parents with addiction and anti-social behaviour – to be classified as "troubled".'[144]

In this instance, the BBC actually identified none of the indicators used in the actual troubled families analysis, but instead named criteria used to select families for inclusion in family intervention project programmes.

Child poverty at local level

Although Total Place and family intervention projects have made limited progress as their implementation spanned the conflicting interests of the Labour and Coalition governments,

the child poverty agenda – which began in 1999 with Blair's promise to halve child poverty by 2010[145] – has remained a central element of successive governments' policies, including under the Coalition Government, which in 2010 sought to refresh the Child Poverty Strategy and legislation. The Child Poverty Act 2010 and the Child Poverty Strategy 2011 are now the primary framework through which the Government tackles child poverty. These, even more than their predecessors, focus on multi-agency action to tackle child poverty in a multi-dimensional way. In his foreword to the strategy Iain Duncan Smith states:

This is a strategy founded on the understanding that poverty is about far more than income. The previous Government attempted to hit poverty targets by paying out more and more in welfare payments so as expenditure grew poverty for working-age adults increased and mobility failed to improve. Vast sums of cash were spent but the rungs on the ladder to prosperity didn't move any closer together. Previous Ministers announced they had made progress on child poverty but actually for too many their life chances did not alter. This is because the causal problems were never addressed.[146]

The Act is in two parts. Part 1 is related to national duties to meet a series of national targets by 2020, and to have a strategy outlining how these targets are to be met, which is renewed every three years. Part 2 of the CPA relates to local duties. It requires responsible local authorities and their partner authorities to cooperate to reduce, and mitigate the effects of, child poverty in their local areas in three ways:

· *Through cooperation*: The Act places a duty on responsible local authorities (those with top-tier functions) to put in place arrangements to work with partner authorities named in the Act to reduce, and mitigate the effects of, child poverty in their local area. The Act requires named partner authorities to cooperate with the local authority in these arrangements.
· *By understanding needs*: The Act places a duty on responsible local authorities to prepare and publish a local child poverty

needs assessment. This will enable them to understand the characteristics of low income and disadvantaged families in their area, and the key drivers of poverty that must be addressed.
· *By developing and delivering a strategy*: The Act requires responsible local authorities and partner authorities to prepare a joint child poverty strategy for their local area, which should set out the contribution that each partner authority will make and should address the issues raised in the needs assessment.

Part 2 of the Act names each of the following partners as a statutory partner of the local authority, responsible for preparing the poverty assessment and strategy:

· the district authorities (other than the responsible local authority) which deliver key services including housing benefits and securing local facilities for families
· primary care trusts and strategic health authorities
· Jobcentre Plus
· the police, youth offending teams and probation trusts
· transport authorities

The Act also encourages partner authorities to pool funds or share other resources with the responsible local authority or one another as part of the cooperation arrangements. Other potential 'non-statutory' partners are identified, including the local voluntary and community sector, housing sector, schools and colleges, and employers and businesses.

The need for local data

In order for local authorities to prepare their local child poverty needs assessment and use this to develop their joint local child poverty strategy – setting out the measures that the local authority and partners propose to take to reduce and mitigate the effects of child poverty – local authorities need to draw on a range of data to understand their local population. The data sources outlined at national level, presented in the Child Poverty Strategy 2011, cover indicators such as poverty,

material deprivation, low birth weight, educational outcomes, unemployment, youth offending, teenage pregnancy and family structures. The strategy states:

There are a large number of datasets that are currently published that provide indicators relevant to child poverty at a local level. Local authorities have been encouraged to explore these in developing local strategies. In addition to understanding poverty in their area these can allow comparisons between authorities. Examples of these, including links to the relevant sources, are included in the Child Poverty Needs Assessment Toolkit.[147]

The toolkit, published by IdEA, is no longer available online since IdEA has been disbanded and absorbed into the Local Government Association. Moreover, the only local data available on the Department for Education (DfE) website, called a 'proxy for child poverty', are on unemployment: 'the proportion of children living in families in receipt of out-of-work benefits'.[148]

In reality, local authorities use a varying range of local data and cover a range of poverty-related indicators depending on the limitations of the available data. Many local strategies provide an overview of the status of child poverty in the area based on income, and broken down to district or ward level. Data on free school meals, unemployment, benefits and tax credits and health indicators are also compared at area level, but with the exception of Council Tax Benefit and some Housing Benefit data, these data are not collated at household level in the vast majority of local authorities. They are often available at different geographical levels depending on the data in question – whether ward, borough, postcode level and lower super output, making it impossible to directly compare, let alone match them together.

Table 4 shows a page of Haringey's child poverty assessment, which highlights this limitation and box 6 provides a list of the data sources used in the Kingston child poverty assessment.

| Table 4 | **Haringey's child poverty assessment** [149] |

Key issues	**Gaps in data**
· Worklessness remains a persistent problem in Haringey.	· To date, 336 better off calculations have been carried out for Haringey Guarantee participants. At present, it is not possible to break this down to isolate parents.
· There is a need to increase the availability of part-time employment opportunities.	
· Welfare-to-work services will be drastically overhauled from summer 2011 in an attempt to move more benefit claimants into work and reduce worklessness.	**· Timely data on couple families where only one adult is in employment are not available down to borough level and this also extends to the earning/ income levels of both workless and working poor families.**
· Key barriers to work include lack of appropriate training and skills, language, access to local training childcare and travel costs.	
· Although the NEET figure is steady, NEET vulnerable groups have risen over the last year including Youth Offending, Teenage Mums, Leaving Care 19 plus. Children with special needs remain consistently higher than the general population	

| Box 6 | **The variety of data sources used in the Kingston child poverty assessment** |

The Child Poverty Needs Assessment pulls together information from a range of existing, borough-specific sources including:

· *the Joint Strategic Needs Assessment*
· *the Kingston Plan*
· *the borough profile*
· *the public health annual report*
· *the local economy monitor*
· *the Participatory Needs Assessment, Chessington, 2009*
· *You Can Kingston, July 2009, Summary of Community Engagement Activities*
· *draft BME Needs Assessment 2010*
· *the Place Survey, 2008 (a resident survey)*
· *the Tellus Survey, 2009 (a survey of young people aged 10–15)*
· *the Childcare Sufficiency Assessment 2011* [150]

There is a range of national organisations, such as the Child Poverty Unit, Office for National Statistics, NOMIS, Land Registry, Communities for Excellence and Outcomes in Children and Young People's Services (C4EO), Joseph Rowntree Foundation and New Policy Institute Monitoring Poverty, and national sources of data, such as the School Census (DfE) and Social Exclusion 2010 Report, December 2010.[151]

Local administrative data can be obtained from organisations including Citizens Advice and from local authority data from revenue and benefits and housing.[152]

Several of the representatives from local authorities and local agencies we spoke to felt that the lack of household level data is a fundamental barrier to a range of activities which they would like, and indeed are required, to undertake – from strategic needs assessment, through targeting and delivery of a service, to measuring and demonstrating outcomes.

Against a background of barriers to efficient data sharing, our field research revealed a wealth of untapped sources of data. Many voluntary and community sector organisations are well placed to hold valuable information about local disadvantaged populations – particularly as they often see families or individuals who are less visible to statutory services. However, well placed though they may be, they are also ill-equipped; those in charities we spoke to cited resources (both staffing and finance) as reasons for not collecting data as they would like to. Someone in a very small charity providing advice to families of disabled children explained that although they would have liked to collect data on their clients more systematically, to assist their lobbying activities and their bids for funding, they were unable to; they estimated that they would need a full-time volunteer to enter all the paper documentation onto an electronic database, and they could not afford to pay any volunteers' expenses.

Charities that had formed partnerships and collected data across a small range of indicators had done so as part of time-limited projects and pilots, provided for by a specific pot of funding. Incidentally, those we spoke to reported that such

'pots' were increasingly hard to come by. Finally, even where data are collected, relative to local authority staff, those in voluntary and community sector organisations may lack the expertise to make systematic use of it. Speaking of using data to demonstrate impact, one community centre director said: 'We have tried a couple of times over the last few years, but it has been way outside our skills set to use it scientifically as a tool.'

Neither data sharing nor data collection was a priority for representatives from the vast majority of local services we spoke to. However, some service providers were keenly aware of the importance of understanding their clients' needs outside their own service remit. One provider of social housing explained:

Of our general needs tenants, we have calculated that around 10 per cent have got enough issues to cause us a concern – whether this is in terms of mental health, people with learning disabilities living unsupported in the community, or drug and alcohol dependency.

Given the responsibilities outlined in the Child Poverty Act, it is clear that a lack of household data also thwarts local authorities in their ability to develop a child poverty assessment that pinpoints issues at household level.

As we explain in the following chapter, the primary reason why we were unable to repeat our analysis of Understanding Society (a national household level survey) at local level with local data was a lack of household level local datasets. Although by using different datasets local authorities are able to identify, for example, how many unemployment benefits claimants are living in each ward (or sometimes borough) in their authority, how many teen pregnancies there are, how many children in the authority receive five GCSEs, and so on, they do not know whether unemployment, teen pregnancy and low educational attainment coincide at household level, and which groups have multiple indicators associated with poverty. An analysis such as ours – which fundamentally relies not only on knowing how many indicators occur per household, but also which indicators these are in order to group them by particular combinations – is

impossible. A representative from one of the pilot local authorities told us:

I feel [we] might struggle to replicate this locally – which is frustrating, as it is something we'd really like to do… What is needed is shareable, address-level data, and we just don't have that… Some of the problem is due to the Council's culture; we know we're quite 'silo-ed', but it's also true that DWP holds useful data that we don't get access to.

Box 7 **Wandsworth Council's child poverty strategy**

The Council's strategy emphasises the need for partnership working, aiming to map provision and then set up small multi-agency groups in each area with a focus on child poverty. The Council uses strong local data to provide detailed information on groups left alone to poverty and then set up concrete actions. For example: targeting seasonal jobs at certain vulnerable groups to build confidence, targeting outreach work to young black men and working-class boys, and providing guidance on maximising benefits or entering into employment to parents who are economically inactive or in low-paid work. [153]

Newham is somewhat unique in this generally data-sparse field. It has created its own local household level dataset – the Newham Household Panel Survey, which covers a range of indicators enabling it to carry out household level analysis. As the Newham Household Panel Survey asks a series of questions at household level – like Understanding Society – our multidimensional cluster analysis *would* be possible in Newham. We would, in theory, be able to replicate the analysis and create bespoke poverty types based on Newham's population, using the Newham Household Panel Survey (box 8).

Box 8 **The Newham Household Panel Survey**

The Survey has been running since 2002 on behalf of Newham Borough Council and takes in approximately 2,000 individuals. It is modelled on the design for the British Household Panel

Survey (the predecessor of Understanding Society) to provide comparability with a national data source which provides data on the current circumstances of the people of Newham and tracks changes in their lives over time.

In this way it has considerable potential for informing policy in a range of areas, including the dynamics of poverty, housing, the uptake of education and training, employment experience and skills, access to services, factors affecting equality of opportunity and migration patterns within and out of the borough.

The Living in Newham website explains:

The aim of the panel survey is to provide data which will enhance an understanding of these processes and inform relevant policies and programmes to bring about the desired change in the area; most importantly to improve the quality of life of local people. The panel design allows an assessment of the effect of regeneration policies within the borough as education, health, employment and other outcomes are observed over a three year period in the first instance. [154]

Newham Council uses the data it gathers to compare the socio-economic situation within their borough with the information gathered by the British Household Panel Survey (now Understanding Society) and also with previous waves of the Newham Household Panel Survey, therefore being able to compare Newham's progress on a number of issues over time and relative to the national averages.

Newham's level of understanding of poverty in the borough suggests the Newham Household Panel Survey has prompted multi-dimensional thinking. For example, the 2011 results report states:

Lone parents stand out as a group that suffers multiple challenges. For example, they are more likely than average to rent, less likely to save money every month, and find it difficult to manage their finances.

Considerable responsibilities are felt among guardians/ parents of young children, with one in ten (9 per cent) caring for a child with health conditions/disabilities or learning/behavioural problems. And such pressures are no doubt more acutely felt by lone parents.[155]

A note on the 2011 Census

Against a background of rising operational costs and an ever-expanding population, some have questioned whether the Census is any longer fit for purpose. These are some of the objections: compliance is low and household-level data poor, data do not accurately track an increasingly mobile population, and it is lengthy to publish and soon becomes out of date.[156] Nonetheless, many representatives of services and local authorities we spoke to were eagerly awaiting the publication of 2011 Census data. As will be seen in the next chapter, the 2001 Census was in many cases the most up-to-date source available for comparing local areas' performance on our poverty indicators with the national profile, particularly in the domains of tenure, overcrowding and caring responsibilities. In the past, local authorities have argued that the scope of the national Census makes it an essential tool for local government, surveying many more people than it would be possible to target with available local resources.[157] Supporters of the Census say that local authorities are able to make good use of its comprehensive coverage to inform service provision and location – for example, travel-to-work data can help to understand pressures on roads and public transport and housing vacancy rates and overcrowding could shape where new homes are built.[158]

It is clear that for now, at least, the Census is indis-pensable to local authorities, though that is not to say that it meets all requirements, or that another system would not meet them more effectively. A 2008 report by the New Local Government Network, calling for an end to the Census, had among its recommendations to Government: '[E]stablish a new duty on local authorities, their partners

and central government to work together to share data to form the basis of population information.'[159]

A move in this direction – away from a national survey and towards the more efficient integration of existing data, supplemented by targeted surveys along the lines of the Newham Household Panel Survey – is broadly supported by what we have heard from councils and other stakeholders. However, one message taken from our qualitative research with service providers is that simply placing an obligation on local authorities and their (voluntary and community, and private sector) partners to collect and share data is not enough. Efficient data collection and data sharing require skills, diversion of resources, and a shared understanding of how providers and users will benefit.

International examples of census data collection can suggest some ways forward. For instance, in the USA the Census Bureau removed the long form aspect of the census in 2010, replacing it with the American Community Survey. This is a yearly examination of areas of over 65,000 people and an investigation every three years into areas with a population above 20,000. With a mandatory response the sample size is large enough to make it the best form of state-level data.[160] This is supplemented by an annual income survey, the Current Population Survey, which is used for national poverty rate estimates, and the Small Area Income and Poverty Estimates, which is a model-based yearly estimate, a method of investigation that provides the best sub-national data for areas under 65,000 people. It is clear that in America there is a keen understanding that a mix of data collection methods is necessary. Indeed, given that an extra page of questions in the UK Census was estimated to cost £25 million, the cutting of the long form clearly reflects a monetary saving, which can be invested in these more local and regular investigations.

Box 9 lists the two ways of identifying multi-dimensional poverty at household level.

Box 9   **Two ways to identify multi-dimensional poverty at household level:**

1   *Household level survey which asks all the indicators necessary to understand poverty in a multi-dimensional way:*
· BHPS and Understanding Society not large enough for credible local authority samples
· NHPS only known local example
· Resource intensive for local authorities

2   *Household level matching of several datasets covering all of the indicators necessary to understand poverty in a multi-dimensional way:*
· Data sharing of existing datasets problematic due to different ownership and privacy rules
· Not feasible to get consent retrospectively to match datasets and identify households

Sharing data at household level

In the absence of a single dataset that collates a range of information at household level, local authorities would need to bring together several separate datasets, and match them at household level, in order to carry out multi-dimensional analysis and identify families most in need of support.

Indeed, in order to meet the various responsibilities placed on them – whether tackling child poverty, using community budgets and the Common Assessment Framework, or tackling troubled families – local authorities without a single dataset encapsulating all of these issues ideally need this level of data sharing between different local agencies and some national datasets in order to identify which families require the multi-agency interventions they have been tasked with. As outlined above, local authorities already bring such various datasets together in order to publish their poverty assessments and strategies, but these datasets are not available at household level, but rather set at a variety of different area levels (borough wide, ward,

postcode and super output, and so on). They are never actually matched at household level.

While some local authorities have attempted to match these different local datasets together at a comparable level (for example all at ward or postcode level) to improve their understanding of local need related to poverty and other agendas, the issues of data protection and the resources needed to achieve this at household level makes such an attempt beyond the realms of most local authorities' capacity.

Local authorities can be risk averse when it comes to data access and sharing. Over the years data protection issues have meant that cross-classifying datasets across multiple agencies has become increasingly difficult, and the task of matching together data from different agencies is also very time-consuming and labour-intensive. Data can be in different forms (for example electronic, paper), of varying quality (hence the need for checking) and have numerous levels of sensitivity. Matching all of these various datasets (most of which will have been collected at household level, but none of which are reported in this way) requires a significant amount of resources to break down at source several datasets (each collected at varying levels from borough to ward to postcode) to household level.

The service manager in a pilot local authority told us:

At a larger geographical area, this sort of information isn't really collated. We'd know about who was living alone, we'd know about single parents by a whole range of information we could get hold of, but putting some of the things together I suspect would be a lot more difficult if you're looking across the district. At a very local level you could probably point people out, but that would be very local knowledge within a small geographical area of the district.

Box 10   **Islington Council as a best practice case study**

The Child Innovation Pilot commissioned by the DfE[161] selected Islington as one of its best practice case studies. The Council created a database of information for use by children's services,

especially in targeting low-income families. It brought together data sources from the Council, Connexions (before it was discontinued), birth records from primary care trusts, and records from children's centres and schools. The Council combined these local data with DWP data on housing and council tax benefits to identify those on low incomes. The difficulty came in obtaining consent – the Council found out that if a DWP form was used to collect information, the data could not be used, whereas if a local authority form was used it could. Islington Council now only collects information using its own forms, enabling staff to collect and track data. Frank Field also mentions the Islington database in his report,[162] expanding on the positive effects: facilitating more integrated services; and providing outreach to groups most in need, such as ethnic minority communities (using native speakers), specific housing estates and workless families.

Box 11   **Westminster Family Recovery Programme**

This programme by Westminster Council targets families at risk of 'losing their home, children or liberty'. The scheme recognises that interrelated factors (for example, poor housing and parental drug misuse) have a negative effect on children. There is a coordinated approach, with the local council bringing together public services, national and local voluntary groups to 'share resources, intelligence and expertise'. Agencies include services for adult mental health and substance abuse, housing advice, financial advice, outreach to engage hard-to-reach families, parenting and life skills, domestic violence, education, child health, information analysis and access to training and work, and the police and anti-social behaviour teams.

*   Using a whole family approach, early support is provided to younger siblings, and the programme acts as a single unit, with one location and head. Cases are taken on a referral rather than targeted basis, usually from children or adult health services and crime and anti-social behaviour services. The family's consent is gained before intervention*

(except in cases involving crime and safeguarding) and because of this staff are able to overcome the main barrier to information sharing.[163]

Difficulties with data sharing

The DWP outlined in 2006 the three types of data sharing taking place at local level using the example of tackling multiple barriers to employment: sharing case by case, using shared databases, and linking national to local data.[164]

Case-specific information was usually fairly limited, informal and shared by front-line staff. The main reservation at this level was the loss of a client's trust if certain information was shared. The use of shared databases was more unusual, and often created for a specific inter-agency project. The Leeds Drug Intervention Project, for example, involved the police, the probation service, the NHS, social services, voluntary sector drug services, Jobcentre Plus and the prison service, and possessed a purpose-built shared database on service users. The legal issues were tackled by obtaining informed consent before any data were collected. Shared databases have the advantage of longitudinal tracking of data from multiple agencies, but can be held back by certain agencies' reluctance to share information, and different methods of data entry and classification.

Linking local and national data was generally seen by the DWP as impractical – the main barrier being that the council would have to obtain consent retrospectively for data collected at a national level. A pilot project, mapping households in Leeds, was abandoned for this reason; the task of obtaining retrospective consent was too large. Manchester was able to match local and national data by obtaining access to DWP data at a 'super-output level', which was small scale but not small enough to identify individual households. The city combined this with its own data in order to build a more accurate profile of certain areas for services.

One of the main problems identified in the 2006 DWP report was the lack of detail in data once it reached a smaller scale or geographical area.[165] As it used an area approach

there were limited data on those living in a low concentration of people in the same situation (in this case, adults with multiple barriers to employment). This was verified by our own research and interviews with other non-pilot local authorities – those working in rural areas, where concentrations of people are inevitably very low, felt it inappropriate to apply national standards to local, rural areas. For example, a very real 'high incidence' of an issue in a rural area might in practice mean only very few households – this would not look like a high incidence if national standards were applied. Rural areas have to rely disproportionately on anecdotal evidence rather than data to keep track of trends which affect their sparse populations.

Furthermore, collecting data through public services restricted information on those without a history of accessing services, who may be most in need. Finally, in this study service users showed a lack of support, and some were suspicious of their information being shared.

Box 12   **Information sharing in Spelthorne, Surrey**

In Spelthorne, there is a county-wide information sharing agreement, which is revised regularly by those involved. There are also 30–40 smaller information sharing agreements, usually drafted by the police when required. Every district has a community incident action group, a multi-agency group that uses information sharing to tackle issues of community safety, reoffending and anti-social behaviour. The Council's experience is that for there to be good information sharing, agencies need to be open and cooperative – joint training on information sharing, updated regularly, can contribute to this. The Council recommends that careful thought be put into what information is required as there is a tendency to ask for comprehensive data when it may not all be needed.[166]

Opportunities for improved data sharing

Data sharing and troubled families

Since 2010 and the outset of the Coalition Government, information sharing between agencies has been cited a number of times as crucial to the identification and combating of poverty. In his influential report on tackling child poverty, Frank Field made data sharing within local authorities one of his main recommendations. He suggested that the Government should legislate to make data sharing easier, and provide a template for safe and successful data sharing. He also recommended that Universal Credit legislation should make it easier for local authorities to share data, and that the Department of Health should consider what data it could make available to help those in need.[167]

In his report *Early Intervention: The next steps* (2011), Graham Allen also suggested that legislation on local data-sharing needs to be reviewed, and recommended a meeting between the Local Government Association and ministers to set this up.[168]

The Government's responded to Field, Allen and others in the report *Supporting Families in the Foundation Years*. It agreed that data sharing, especially between children's centres, health partners and the local authority, was 'a priority for helping to make local services more effective, particularly for vulnerable families', but no details of planned data-sharing legislation and good practice were given; they were instead relegated to 'an issue for further discussion'.[169] Nonetheless, a change in legislation did eventually occur – but it was very specific and contained in the Welfare Reform Act. The Act outlines a 'legal gateway' that allows the DWP to share information with local authorities without prior consent, for the 'sole purpose of identifying troubled families'.

In line with the localism agenda, the Social Justice Strategy places responsibility for troubled families with local authorities, providing £448 million as 40 per cent of the total funding needed, and expecting local authorities to find the remaining 60 per cent. In March 2011 the DfE published an estimate of the distribution of troubled families across England's authorities.[170] This was based on combining the

figure of 117,000 (often rounded up to 120,000) with area-level data on poverty indicators drawn from the Index of Multiple Deprivation and the Children's Well-being Index. The findings were widely reported in the national and local press, a representative headline being 'How many "troubled families" live in your area? See the full list here'.[171] Since the source data was not collected at a household level, the estimates cannot be representative of the actual number of families in each area.[172]

To improve the identification of these families the Government has amended legislation to enable DWP data to be shared with local authorities to identify households with these indicators, without gaining retrospective consent from such households (the issue deemed to make such data sharing impossible in the DWP's 2006 report, mentioned above).

As described in chapter 2, the troubled families agenda is in itself troubling in the way it associates certain characteristics to a group identified using a wholly different set of characteristics. Nonetheless, as the agenda relates to the financial framework and payment by results for local authorities and agencies tackling the issue, the DWP defines troubled families as households who:

· are involved in crime and anti-social behaviour
· have children not in school
· have an adult on out-of-work benefits
· cause high costs to the public purse[173]

The data-sharing process is as follows: local authorities must first identify families who fit the first two criteria (relating to crime, anti-social behaviour and education) using their local data. They then send this information to the DWP through a secure GSX email account. DWP staff then identify those on the list who are also on certain benefits – thereby verifying their status as a 'troubled family'. They send the names back to the local authority for them to target with resources.

The troubled families financial framework also gives guidance on information sharing in other areas to enable local authorities to create their list to send to the DWP. For example,

the crime, anti-social behaviour element can be shared under Section 115 of the Crime and Disorder Act, and obtained from community safety partnerships, youth offending teams, the police national computer, social landlords and local police. Data on education can be obtained from schools, although students at academies, independent and specialist schools are not part of the national pupil dataset. Academies, independent and specialist schools 'are able' to share information with local authorities, but, presumably, not compelled. The framework recommends notifying the school of how the local authority will use the data (sharing it with the job centre, in this case) but the local authority is not obliged to because of the safeguarding and protection element of the Children's Act.[174]

Early indications are that local authorities have been able to access and match these data to identify troubled families. However, it is important to remember that local authorities have been paid to carry out this exercise and have been using a relatively restricted set of data – this very specific dispensation from restrictions on data sharing at household level between local and DWP datasets does not, therefore, assist local authorities in combating poverty more generally – as the DWP data cannot be used to identify any families that do not fill the troubled families description. Nonetheless, this first pioneering attempt may prove a catalyst for data sharing in other areas.

Staff in some of the local authorities we spoke to were exasperated by this development, pointing out that they had for years been requesting that the DWP share household level data with them to enable them to identify the households in need of the most support, in order to tackle multiple deprivation, child poverty and so on. These requests had been refused on the basis that to share these data would be illegal (as highlighted in the 2006 DWP report discussed above[175]), as retrospective consent would be impossible to secure on such a scale if households could be identified. And yet, the DWP has readily overcome this legal complication when it came to an area which they felt important enough to require it (tackling troubled families). Local authorities also felt that this move by the Government was somewhat hypocritical in the light of the localism agenda.

Local authorities are increasingly mandated to assess and meet the specific needs of their populations, and to do this most effectively they need access to DWP-held household level data. However, while the Government had hitherto been unresponsive to this locally driven (bottom-up) need, it is the top-down (central government-led) troubled families initiative which has provided the impetus for freeing up data.

The open data agenda

In 2011, the Government announced that after a year of promoting transparency in central government departments, it would attempt to improve the availability of data on public service performance in health, education, criminal justice and transport, including:

- data on comparative clinical outcomes of GP practices and prescribing data
- anonymised data from the National Pupil Database to monitor school performance
- data on attainment of students eligible for pupil premium
- data on apprenticeships
- sentencing data by court, with anonymised data including the age, gender and ethnicity of those sentenced
- data on the performance of probation services and the national crime mapping website Police.uk, to see what crime is occurring on individual streets, police action and justice outcomes.

Although this range of data will not allow for household level identification, it may well enrich the range of data sources local authorities can match together to gain a better understanding of local poverty-related challenges.

Technology

Local authorities are not alone in their endeavour to match data. There are several online tools which can assist them. For example, Xantura launched a combination of four systems in April 2012 to assist with the identification and tracking of families with complex needs. The first matches data from a variety of sources (police, housing, health and local authority) in order to identify families at risk, and then track their progress. The second uses these matched data and risk modelling to predict 'emerging troubled families', along with alerts to the local authority when a family is about to cross a certain threshold. The third enables individuals and their carers to update their situation, notifying several agencies simultaneously. Finally, the fourth system enables managers and commissioners to build up an evidence base, which will impact on future decisions. As a new product, there is no evidence yet of local authorities which have started to use this technology.[176]

ACORN and MOSAIC are two better established tools – demographic databases used by local authorities. Both use a combination of census data and consumer surveys, and MOSAIC in addition uses publicly available data such as crime and hospital statistics, and indexes of deprivation. While ACORN collates data starting with Census output areas and refines this based on extra information, MOSAIC is more discriminating, starting with data relating to the smallest geographical areas (individuals and households), and then working up in size, giving different weightings to each data source. ACORN distinguishes between 56 demographic 'types' in 17 groupings; MOSAIC offers 146 individual types, fitting into 69 household types and 15 groups.[177]

Box 13   **The Knowsley family poverty types**

The Metropolitan Borough of Knowsley in Merseyside is perhaps ahead of the game in its use of local datasets to generate new insights into local needs. As part of its work supporting local families, Knowsley has carried out a family segmentation analysis, which groups all families in the borough into one of four types – 'complex', 'just coping', 'coping' and 'thriving'. This approach uses a combination of ACORN demographic data (at postcode level) and client databases (at address level). The four types are defined as follows:

- *'Complex' families are those with addresses on one or more of the council lists for a range of 'problem' issues (exclusion from school, contact with the Family Intervention Programme, children in special education, known to the youth offending service, 16–18-year-olds who are NEET, known to children's social care or Council Tax arrears of more than £2,000).*
- *'Just coping' families are those who have postcodes with an ACORN classification of 'hard pressed' (the poorest areas), excluding any that have been already defined as 'complex'.*
- *'Thriving' families have postcodes with an ACORN classification of 'wealthy achievers', 'urban prosperity' or 'comfortably off' (the three most affluent ACORN classifications), in non-registered social landlord housing, and excluding any already defined as 'complex'.*
- *'Coping' families are those who live anywhere that has not fallen into any of the above categories.*

Knowsley staff estimate that across the borough in 2011, 3 per cent of their families were 'complex', 45 per cent were 'just coping', 12 per cent were 'coping' and 40 per cent were 'thriving'. Having a local family typology allows the local authority to focus on shifting families away from the 'complex' towards the 'thriving' category – thus reducing pressure on services to support 'complex' families. The high proportion of 'just coping' families – who are at risk of sliding into the 'complex' group – is of particular concern.

The Knowsley family types cover the full income spectrum – and though the 'just coping', 'coping' and 'thriving' families are in part defined by their income because of their ACORN classification, the 'complex' families are defined purely by their contact with services, regardless of ACORN classification.

Gathering all the data needed to carry out a family segmentation was not straightforward, and Knowsley encountered a number of obstacles. The first of these was the absence of a reliable source for estimating the total number of families in the borough, as a baseline. The local NHS address database is updated regularly from birth until children are aged five,

when contact with health services becomes less frequent. Above the age of five, the schools census can be used to supplement the NHS database, but this is only updated annually, and only captures children at schools within the borough, so its value is limited. Other issues have included matching concurrent datasets (the update of the NHS database that matches the last annual update of the schools census), overcoming data protection issues and the fact that different services' assessments are not necessarily standardised – even facts like the presence and number of children in a household are not consistently recorded. Nonetheless, the exercise has been helpful because it has forced the local authority to assess the scope and nature of its local datasets.

Source: Knowsley Council

Demographic data tools are associated with high costs to local authorities. Some have been forced to cut their investment in such tools, as the only alternative to cutting front-line services. During our piloting phase (see chapter 7) a representative from one council told us:

There is a real issue around how much we pay for priority datasets… We did some work building data observatories for [councils across the region] and we actually compared how much we were paying for proprietary datasets and it was something like £250,000… We are making do with what we've got in terms of free cheap data. We don't have the resources any more to buy data.

By contrast, at least one local authority we covered in this project was increasing its use of MOSAIC – in this case for customer service and communications functions. For example, using the tool to understand what attitudes towards recycling prevail in different areas, the council could send out tailored recycling information leaflets, maximising the chance of residents engaging.

Box 14   **Online tools and examples of their use**

*Over recent years, the public sector has shown increased de-
mand for 'market intelligence' tools, along the lines of those
long used in the private sector. North Warwickshire piloted a
mobile information, advice and guidance service called the
Branching out Bus. Staff used MOSAIC to identify areas
where the population were more likely to fall within certain
categories, for example, have children, claim benefits, have
low income and low savings, live in the socially rented sector,
have no bank account, or be eligible for free school meals. This
was combined with local authority data on those with children
also claiming benefits, and then used to identify areas where
the service would most effectively reach low-income families.*[178]

*Avon and Somerset Constabulary profiled
Neighbourhood Watch areas, and combined this information
with ACORN data on groups vulnerable to burglary, discover-
ing that they did not live in a Neighbourhood Watch area. They
were also able to identify crime hotspots by profiling the
ACORN groups in each of their beat areas, enabling them in
both cases to make better use of resources.*[179]

Overview
In this chapter we described the various ways in which local
authorities have been tasked with tackling a range of social
problems through multi-agency or holistic support, and how a
lack of household level data has often thwarted these
attempts. In the absence of a bespoke local survey which asks
questions covering several different issues (to repeat our
analysis the questions would have to cover all 20 of our
indicators), local authorities would need to match numerous
local and national datasets at household level to achieve the
level of intelligence required to repeat an analysis as
sophisticated as the one presented in this report.

In reality, data-sharing rules make this data source
matching almost impossible as it requires the retrospective
gaining of consent from the subjects of the data. It also
requires a significant number of resources to break down at
source several datasets (each collected at varying levels from
borough to ward to postcode) to household level. Nonetheless,
motivated by the troubled families agenda, the Government
has changed legislation to enable the identification of
particular households through the matching of DWP and local
data at household level, and has provided resources for local
authorities to carry out this analysis. This paves the way for
further, similar undertakings in other policy areas – where
better than in the tackling of child poverty?

In chapter 7 we describe the findings generated from the
piloting of our national analysis at local level, using local data.
This provides an insight into what might be achieved if local
data at household level were made available, and the challenges
of joint working to tackle multi-dimensional poverty.

7 Tackling multi-dimensional poverty types locally

In this chapter we present the findings from our local pilots where we attempted to replicate our multi-dimensional poverty analysis at local level, using local data. This is not an easy task. To fully replicate the analysis presented in chapter 3, local authorities would need a single custom-built household survey (like the Newham Household Panel Survey) or to match a range of datasets at household level – a difficult and resource-intensive task, as we explained in the previous chapter.

In the absence of a bespoke household survey and household level matching of several datasets, Demos developed an alternative method, which enabled us to marry the local data that was available in most local authorities with our national typologies. This generated two or three local types of poverty in each area, which although not fully bespoke, met the lived experience of poverty in the three areas in which we tested it closely enough to enable us to think more carefully about how local poverty toolkits could be developed to guide policy and practice.

First, we describe the methodology we employed to create the local poverty typologies, before outlining some of the findings from the pilots related to the challenges of tackling poverty locally. We then present a hypothetical local toolkit, based on the insights gathered from all three areas.

Overview of the pilot areas

In order to test how our poverty types could be used in practice to tackle poverty and disadvantage, we worked with three local authorities – Camden, Wakefield and Wirral councils.

Camden

The London Borough of Camden covers an area of around 8.5 square miles, extending from Covent Garden in the south to Hampstead and Highgate in the north. Camden is a thriving business centre with a high financial turnover. It has a large number of skilled and high value jobs, 60 per cent of which are situated south of Euston Road.[180] The largest area of employment is the professional, scientific and technical sector, with the majority of workers coming from outside the borough (84 per cent according to the 2001 Census).[181] Despite this, the borough also contains areas of marked deprivation.

Although the borough is relatively small – it occupies 1.4 per cent of the Greater London area – Camden's residents make up 2.7 per cent of the Greater London population (an estimated 220,000).[182] Because of the high population density and lack of space the population in Camden has increased relatively little in recent years.[183]

Camden has more students (almost 24,000) than any other London borough. One-third of the population either moves in or leaves in a given year, and the borough has one of the smallest older populations in London.[184] The area is very ethnically diverse: there are three times more black and minority group residents than the national average, with the Bangladeshi, black African and Irish communities having a particular cultural presence.[185]

Camden has a very high proportion of renters – social renting accounts for 37 per cent of Camden households, compared with 19 per cent nationally – and private renting at 25 per cent is also significantly above the national average (12 per cent). Nearly half of all households in Camden contain a single person living alone, the fourth highest rate in the country. Nearly 90 per cent of accommodation in Camden is flats, mansion blocks and apartments.[186] Overcrowding and sub-standard housing are a problem in Camden, with 9,249 dwellings classed as unfit, and 44 per cent of social housing classed as sub-standard compared with 31 per cent in London and 24 per cent across the UK.[187] In 2008 overcrowding was the most common reason (given by 47 per cent of inhabitants) for unsuitable accommodation.[188]

Health inequality in Camden can be seen in the stark differences in life expectancy between men and women living in affluent and deprived areas within the borough. On average, men from the most deprived areas of Camden live 11 years less than men from the most affluent areas – the difference for women is around eight years.

Camden has fewer claimants of Jobseeker's Allowance than the averages for London and the UK – 2.9 per cent compared with 4 per cent and 3.8 per cent respectively.[189] The rate of employment is 60 per cent compared with 68 per cent in London and 70.2 per cent nationally.[190] However, this rate is skewed by Camden's unusually large student population; the borough's own employment statistics discount students.

More than one-third (35.3 per cent) of children in Camden live in poverty compared with the London average of 28 per cent and 20.6 per cent nationally;[191] 40.5 per cent are known to be eligible for free school meals compared with 34.4 per cent for other inner London boroughs and 18 per cent nationally.[192]

With the recession and government cuts, real household incomes in Camden are falling, and the Council recognises there is a risk of low-income groups being driven out of the borough.[193]

In 2012 the local authority set out a five-year strategic plan to tackle inequality and social problems in the context of reduced budgets. Aims included reducing the number of families with complex needs, increasing the life expectancy of people in the most deprived areas, creating new partnerships to tackle child poverty, improving the standard of council homes and working with landlords to improve private rented accommodation.[194]

Box 15 describes the Camden Equality Taskforce.

Box 15   **Camden Equality Taskforce**

In July 2012 Camden council launched its Equality Taskforce. A central tenet of the borough's current strategy is to tackle in-equality and reduce socio-economic disadvantage, and the work of the Taskforce is to inform that aim. It is a response to the massive combined impact of the recession, public service cuts,

and welfare reforms on Camden's population. As a result of Camden's profile – as an inner-city area with a high cost of living and a high demand for housing –its residents face specific and disproportionate challenges in maintaining their income and living standards, and accessing help. Chaired by Naomi Eisenstadt, Senior Research Fellow in Education and Social Policy at Oxford University, the Taskforce brings together Camden's council services, charities, academics and experts to explore local drivers of inequality and design service innovations for the future.

Wakefield

Wakefield is a large metropolitan district in West Yorkshire, situated between Leeds and Sheffield, covering an area of approximately 130 square miles, two-thirds of which is green belt. In 2011, the population of the district was 325,800.[195] The district is characterised by a lower than average proportion of people aged under 25, because of the absence of a higher education institution,[196] and also by its relatively small ethnic minority population – in the 2001 Census 96.7 per cent of people in Wakefield described themselves as white British.[197] The number of non-white British residents is now increasing, totalling 6.9 per cent at the most recent estimate.[198] This increase is in part due to an influx of economic migrants from EU countries such as Poland, Slovakia and Latvia, working in low-skilled, low-paid jobs.[199]

Many of Wakefield's social problems – unemployment, illness, deprivation and low skills – result from the decline of the mining, engineering and textile industries over the past 25 years. The closure of the mines in particular has impacted severely on communities once reliant on the industry for employment – almost 29,000 industrial jobs were lost between 1984 and 2005.[200] Industry still accounts for 18 per cent of jobs in the area – other major employment sectors are retail and health.

The employment rate for working-age people in Wakefield is 69.1 per cent, slightly below the national average, though above the regional rate.201 The Jobseeker's Allowance claimant rate is 4.5 per cent – again no worse than the Yorkshire and Humber region as a whole.[202] Where Wakefield comes off worse is in economic inactivity due to ill health – 15.4 per cent of working-age people in the district claim some form of out-of-work benefit (compared with 13.4 per cent regionally and 12.5 per cent nationally).[203] Almost 60 per cent of these claims are for Incapacity Benefit or Employment and Support Allowance. Overall, 8.7 per cent of the working-age population is claiming one of these two benefits,[204] and of this 8.7 per cent, 63 per cent have been claiming for five years or more.[205] The main challenges to health in the area are around 'lifestyle' issues – prevalence of smoking, drug misuse, binge drinking and diabetes are all higher than the national average.[206]

On the whole, GCSE attainment in the district is rising. The number of pupils achieving five or more GCSE passes at grades A* to C (including English and maths) in 2011 was 57 per cent. This is roughly similar to the percentage for England as a whole.[207] However, when looking within the district, there is a stark contrast between the most deprived and least deprived areas, with GCSE attainment rates ranging between 42 per cent and 90 per cent.[208] Staying-on rates beyond age 16 are extremely low – particularly the number of school leavers who go on to higher education.

In 2008/09, only 9 per cent of school leavers continued into higher education (compared with 17 per cent nationally).[209] Adult skills in the district are particularly poor, with the Local Futures Skills and Qualifications score ranking Wakefield 327th out of 409 districts for workforce skills – only 19 per cent of the working-age population are qualified to NVQ4 (degree equivalent) level (this figure is 30 per cent nationally).

Wakefield has a large number of people renting from registered social landlords – 28 per cent of the local population (compared with 19 per cent for the UK as a whole)[210] – and demand for social housing is high. At the last count the number of people on the waiting list for social housing in the district was over 22,000. This is partly due to a lack of affordable housing – council figures demonstrate that in order to afford a mid-priced home in the district, income would need to rise by

136 per cent to £36,000.[211] Properties owned by the area's largest housing association, Wakefield and District Housing, are of good quality – with 98 per cent meeting or exceeding the government's decent homes standard. The poorest quality housing is found in the private rented sector, and homes built before 1919.[212]

According to the 2010 Indices of Multiple Deprivation, out of 326 districts, Wakefield ranks 67th most deprived district in the UK – 12.5 per cent of its population fall into the 10 per cent most deprived neighbourhoods nationally. Wakefield has most neighbourhoods deprived in the education and skills, employment and health domains.[213]

Wirral

The Metropolitan Borough of Wirral lies in Merseyside, North West England, and forms one of the six Liverpool city regions. The borough encompasses approximately 60 square miles of the northern part of the Wirral Peninsula, which lies between the Rivers Dee and Mersey. From the early nineteenth century until the 1950s, the Wirral prospered from its docks and heavy industries, including shipbuilding. Since the Second World War, Wirral has fallen into a period of economic decline. Today, the area is characterised by stark inequalities, with areas of affluence in the more rural west contrasting with the deprivation experienced in the former industrial areas surrounding the eastern docklands.[214]

The borough is home to 319,800 people with roughly 94 per cent of the population classing themselves as white British.[215] The employment rate in Wirral was 68 per cent in March 2012,[216] falling short of the national figure, which was 70.3 per cent in 2011.[217] In the most deprived areas of Wirral, the number of people claiming Jobseeker's Allowance is as high as 10 per cent.[218] This is in part due to low job density – there are only 57 jobs available per 100 residents, and as employment in the area relies heavily on public sector jobs, which make up roughly 39 per cent of the workforce – compared with 28 per cent nationally,[219] this situation is likely to worsen because of public sector redundancies. Across Wirral

as a whole, children perform extremely well at both Key Stage 2 and GCSE level – in 2011, 58.7 per cent of students earned five or more GCSE passes at A* to C grade, compared with the national average of 55.2 per cent. However, educational attainment is very uneven across the borough – in Birkenhead the number of A* to C grade passes was only 38.4 per cent.[220]

Wirral also experiences high levels of health inequality – which is closely related to inequalities in income and education.[221] Childhood obesity and alcohol mortality are particular problems in Wirral, both of which are higher than the national average. In 2008, 54 per cent of male deaths and 22.8 per cent of female deaths in Wirral were related to alcohol abuse.[222] In addition, there is a high incidence of mental illness – in 2010, 65 per cent of Incapacity Benefit claimants in the borough were claiming for mental health reasons (the national average is 44 per cent).[223]

Like Wakefield, affordability is the major housing issue in Wirral. Wirral carried out a survey in 2009 as part of its Strategic Housing Market Assessment, which showed that roughly 25 per cent of households were unable to afford market accommodation suitable to their needs, the worst affected group being lone parents – 65.4 per cent of lone parents were unable to afford suitable accommodation at market prices.[224] Wirral's housing stock is also ageing, leaving the left-alone residents living in run-down housing.[225]

In 2010, Wirral was ranked as the 60th most deprived borough in the country out of 346.[226] Two of the lower super-output areas within Wirral were ranked third and fourth worst in the country for employment deprivation (both on the eastern side of the peninsula).

Local methodology

In order to select which of our national poverty groups best fitted with the local poverty challenges in each of these three pilot areas, with the help of the local authorities we gathered all of the data available relating to the 20 indicators in our poverty model. These data were drawn predominantly from

data collected by central government departments – for example, DfE data on GCSE results, DWP data on benefit claimant counts – supplemented in some cases by local survey work. For certain indicators (tenure, overcrowding, caring responsibilities), there were no more recent data available than the 2001 Census.

The data collected in this way are not easily collated and analysed – they refer to different years in an 11-year time range (from the most recent 2011/12 wave of certain datasets right back to 2001 Census data), and for particular indicators (generally the more subjective measures – family and neighbourhood support, participation and feeling of coping financially) there were no local data available. As explained in the previous chapter, the variability in different datasets is one of the primary challenges facing local authorities attempting to tackle poverty or other issues in a multi-dimensional way.

In each of the three local areas, most of the data provided only a borough-wide average, rather than concentrating specifically on the low-income section of the population as we did when creating the national types, masking the concentration of certain problems (such as low literacy and unemployment) among low-income groups (we were able to go some way towards correcting for this following feedback from the local authorities; see below).

For this exercise we were only able to select poverty types from our families with children and adults without children cohorts – as local data on pensioners (for example qualifications, employment history) were scarce, making it very difficult to build up a full picture of the lives of pensioners in poverty at a local level. This is something that one of the three local authorities is now taking steps to remedy, subsequent to taking part in this research.

Once we had gathered available data across the full range of indicators, we identified those that seemed particularly relevant to the area (for example, much higher than average sickness benefit claims; much higher than average overcrowding). We compared these flagged

indicators with our national poverty groups, counted up the number of indicators where there was similarity between the local and national picture and isolated the two or three groups where there was the biggest overlap. Table 5 shows the indicators we used to identify which local indicators stood out compared with national or regional averages.

Table 5 **Indicators used to identify local poverty factors compared with national types**

Indicator	Local data	Source	National comparison
Income	Gross weekly pay for full-time workers is £500 (regional average is £520, national average £500)	ONS, *Annual Survey of Hours and Earnings – Resident analysis, 2011* [227]	Same as national but much worse than regional
Car ownership	30% households have no car (25% regionally, 17% nationally); people who do own a car are much more likely to share it with other household members	2001 Census	Worse
Tenure	50% are home owners, 15% social rented and 10% private renters – social and private renting lower than national average (19% and 12%), home ownership higher than national average (40%)	2001 Census	Higher levels of home ownership, lower levels of renting

Once we had identified these 'red flag' indicators, we then compared them to our national poverty types. For example, if we assume that we have identified that local authority A has:

· small households with single parents
· problems of social isolation
· high rates of mental health problems
· mixed skill rates and mixed labour market

we can see that these indicators all tally with the features observed in our managing mothers group, so it is likely that local authority A will have managing mothers in the local population.

Table 6   **Indicators used to identify which national groups were likely to be present at local level**

Indicator	Local data	Child Poverty Groups				
		Grafters	Full house families	Pressured parents	Vulnerable mothers	Managing mothers
Single adult in household	Large numbers of single parents				X	X
Neighbour-hood support	Low neighbour-hood support	X				X
Participation	Less likely to trust strangers		X	X	X	X
Mental health issues	High incidence of poor mental health			X	X	X
Qualification levels	Mix of qualifications – from GCSE to degree level		X	X		X
Employment	Employment within household varies from low to high		X			X
Total similar indicators		1	3	3	3	6
Overlap		17%	50%	50%	50%	100%

In reality, there was never a perfect overlap between the local and national types. Local authority A could also have had a high incidence of physical health problems and overcrowded accommodation, neither of which are associated with managing mothers. However, the limitations of the data meant we could not tell if these other factors coexisted in the managing mothers households, therefore we were unable to create locally bespoke groups.

Because of the limitations of this approach we can only state that local authority A is *likely to have* managing mothers – we do not know if it predominantly has managing mothers or if it has a type of poverty which is wholly different from all of the national average types we have identified. However, having taken into account the prevalence of local problems in this way, we hoped to capture at least some people's daily experience of poverty in each of the three local areas. In most cases, we found that there were two or three national types that corresponded with local circumstances on around 60–70 per cent of poverty indicators.

Given the possible limitations associated with this method because of the data, we tested this process by asking representatives from the pilot local authorities and a range of local agencies and service providers whether the groups that we thought would be present locally (based on local data) bore a resemblance to some of the families and individuals whom they encountered and helped daily.

Our first step was to give each person we interviewed a questionnaire detailing the most relevant national poverty types to their area (based on the process outlined above) and the indicators associated with them. We asked respondents to tick to indicate their agreement with any of the indicators as a group which they recognised in their local area, as illustrated in table 6. Each area returned six questionnaires, which we used to calculate the total percentage agreement with each type. While the sample size is small, it should be noted that it is based on more than the views of six people, as many respondents had consulted others in their team when filling out the questionnaire.

We identified seven groups from our working-age childless and child poverty groups in the three areas, and of those, five had at least 50 per cent agreement from local policymakers and practitioners. We removed the remaining two (from two separate local authorities) from our analysis.

Table 7 shows one local authority's poverty types, which gained 61 per cent and 54 per cent agreement respectively from local practitioners.

Table 7 **The prevalent poverty types in one local authority and how they matched local characteristics**

Vulnerable mothers	Stressed groups
Key matching local characteristics:	Key matching local characteristics:
· younger single mothers with babies or toddlers	· multiple adult households
· living in social rented properties	· living in social rented properties, which are overcrowded and expensive to heat
· struggling to pay bills on time	· varied qualification levels, but low employment
· lacking typical material goods or the means to partake in common social activities	· struggling to pay bills and afford material goods
· likely to be out of work, and lacking qualifications	· high incidence of mental health problems
· get support from their immediate neighbours but are disengaged from the wider community	· get support from their immediate neighbours but are disengaged from the wider community

We then interviewed these practitioners and policymakers, and carried out a small number of focus groups and group discussions with some of their clients to find out more about the groups on low income they help and the difficulties they have in identifying and helping people in a coordinated and multi-agency way.

This was done to refine our understanding of the local poverty groups, and to help us develop a local toolkit for each area. We will not be producing our full findings or the three toolkits in this report – rather, we have drafted these and sent them to Camden, Wirral and Wakefield for their own use in working on their child poverty strategies and information gathering processes. Nonetheless, we have gathered the key messages and common themes that arose from these interviews and group discussions, and present them here.

Findings from our qualitative work
Responding to our national poverty types
As explained above, five of the seven poverty groups we attributed to the three local areas received 50 per cent or more

agreement from those we surveyed. Disagreement could sometimes be accounted for by specific features of the area.

In one pilot area which had a strong historical investment in council housing stock, respondents tended to disagree that overcrowding was a feature of local poverty types. In an area with a very immobile disadvantaged population (people tending not to move out of the area), respondents were inclined to disagree that poverty types were single adult households, as suggested by the national picture.

There were some patterns of disagreement common to all three pilot areas. Many respondents disagreed that households on low income lacked material goods. They reported that consumer durables were important to people in these groups, who tended to purchase them on credit, through catalogues, doorstep lending, and schemes such as Brighthouse – thereby increasing their levels of debt.

Respondents were generally reluctant to agree where a type scored highly on any indicator, especially where groups reported coping well financially, where they were not deprived on lifestyle measures, and where incomes were concentrated at the upper end of the 70 per cent threshold (there was a perception that anyone who was 'in poverty' would be receiving benefits, so that income levels would be fairly homogeneous).

Indicators such as neighbourhood and family support, participation (willingness to take risks with strangers) and political engagement received the least agreement. This is partly because respondents felt unable to comment on these features (reflected in our own difficulty obtaining data on these indicators at local level).

Some respondents also noted an ambiguity in the value of these more subjective indicators; willingness to take risks with strangers is used in Understanding Society to measure social participation (a positive feature) but it is also a source of concern, for example in inner-city areas where young people are at risk of being recruited into crime. Similarly, local practitioners admitted that the presence of other family members in a household can be protective – as they can provide informal childcare and other support – but they also have the

potential to be negative, for example limiting aspirations in families where no one has worked for several generations.

It was felt that deprived communities were in a sense more resilient, 'as people rally round in a way they do not do in more middle-class communities'.

Missing indicators

Those we interviewed suggested the following additional indicators could be used to understand poverty:

- contact with the state (as in troubled families)
- how families spend time together
- attitudes towards education and educational establishments
- access to public transport
- confidence or 'know-how' about lifting oneself out of difficulty
- intergenerational worklessness (this was felt to have an impact not just on aspirations but also on income, as such families might 'know their way around the benefits system' better than others)
- the degree of 'embarrassment' or feeling of stigma about poverty
- family dysfunction
- interactions between gender and ethnicity (in some ethnic minority communities boys were reported to have lower aspirations than their sisters, and the higher likelihood of involvement in the criminal justice system)
- lack of affordable housing and its significant impact on school achievement and health
- whether immigrants are first or second generation and the impact this has on likelihood of children being educated and/ or employed

Poverty groups

Some were aware of distinct vulnerable groups in addition to (or within) the groups we showed them, and identified these as:

- women who have had children taken away by care proceedings
- older women carers who have been caring for a partner who has now died

- distinct groups of single parents, where different age groups face different challenges:
    - young single mothers (not necessarily teens, but aged 22 or 23) who are 'not just struggling parents, because they are also struggling young people too'
    - middle-aged parents with grown-up children
    - single parents in their 30s, possibly divorcees, who have been in the workforce for some time and are struggling with the kinds of work available and prospects for childcare

Further thoughts on poverty groups

The issues which arose when discussing the way in which indicators interacted among families on low income included a recognition of the disincentives built in to the benefits system, which can drive people into poverty and trap them on benefits, and there was some anecdotal evidence about women who were not single but who chose to live alone because of the benefits advantages, and who had a non-resident or casually resident partner to help out with parenting – this was unlikely to have been picked up through our Understanding Society analysis.

Many also recognised that there is a certain level of stress associated with living in a deprived area, regardless of how disadvantaged the household is in itself. Certainly, this came out in our analysis of families who were coping financially, but for whom crime, anti-social behaviour and a lack of aspiration locally was a cause for concern and in some cases impacted on their mental health.

There was also a recognition of the problems faced by women in particular:

Women are being hit by public sector job cuts, the fact that there have been cuts in benefits and women are picking up the slack of where services are failing, and women are coming with mental health needs associated with coping with these changes rather than long-standing issues.

Our own qualitative work with parents (outlined in chapters 3 and 4) supports this view – many expressed a

feeling of guilt or depression associated with not being able to provide for their children, including those recently redundant, suggesting these are not ongoing but new mental health problems.

Particular challenges

Poor health Poor health is a particular challenge: the higher prevalence of long-term conditions associated with lifestyle and environmental factors linked to poverty and poor housing, as well as widening health inequalities, for example eight- or nine-year gaps between housing estates in life expectancy, and for the poorest a drop in life expectancy in real terms.

Qualifications and employment For some local authorities, the presence of educational institutions and industries was felt to affect local educational aspirations – for example, the dearth of universities or colleges in one area was felt to have prompted low staying-on rates past 16, despite good GCSE results. The lack of knowledge industries in an area may contribute to a feeling that qualifications are not needed for employment. This may be accompanied by a mismatch in expectations, with local employers reporting being unable to find the skills they need in their workforce. Interviewees in one of our pilot areas told quite another story; there, numerous higher education establishments and knowledge industries coexisted with low qualifications and aspirations.

Investment in economic regeneration in the wider region did not help certain areas, because people are unwilling or unable to travel to access jobs. Jobs in one region were reported to be unskilled, low-paid, insecure and part time. Job agencies were prevalent and many people prefer to access these than engage with the job centre. This growing group has become known locally in one area as the 'precariat':

basically they are economically precarious, they're in transitory work, they're in low wage work, they're in work with minimal employment rights, they're not in work at all. That is a growing part of our population [228]

We are unable to pick this up without further longitudinal work with the Understanding Society dataset to understand better people's work histories over time, but it is highly likely that some of our poverty groups (such as the stressed groups – adults without children who are currently unemployed and not coping financially) could be described as 'precariat'.

Community and ambition One local authority participating in the pilot reported how local people tended to stay in the same area all their lives, and to be unwilling to travel to access services or jobs. This is partly to do with a lack of transport and partly to do with the 'reduced sphere of influence' that comes with being workless: 'Poverty keeps people very local but that keeping local means the scale of your ambitions is probably very limited.'

Certainly, several of our poverty groups report a lack of jobs locally being a barrier to their employment – suggesting their ability or willingness to move or commute long distances was limited. Another area reported the presence of mixed communities, with high-rise council estates coexisting 'cheek by jowl with pockets of comparative affluence' – this could make the planning and delivery of suitable services difficult to manage as pockets of poverty were dispersed across a larger area.

Infrastructure The importance of infrastructure in exacerbating or mitigating poverty was felt to have been overlooked in our analysis. In one area, for example, a large percentage of the population still had metered fuel (and therefore paid higher prices), and some houses lacked gas mains – this has a direct impact on people's health, quality of life and costs of living. In another local authority, residents in the more deprived areas had not benefited from local investment, which has caused further alienation and a sense that 'even their own patch isn't their own any more'.

In some areas, transport infrastructure had not kept pace with changes in the local economy – for example, a decline in local industry. This was a major contributory factor to social

isolation, poor health and unemployment, as accessing jobs further afield was both too expensive and out of line with people's historic expectations of a local employment centre. Even where there are improved surroundings, this is not a magic bullet to ensure people are lifted from poverty; one area described having undergone massive investment in housing infrastructure but 'not in people'.

Recent changes

Many of the practitioners and policymakers we spoke to reported how they were noticing changes in the characteristics associated with the groups on low income they were working with. These included:

· a 'fear factor' associated with political changes, and in particular cuts to benefits and services
· an increased use of loan sharks and illegal lending
· an increase in the take-up of food packages and growth of food banks in the area
· growing domestic violence, including among the 'new poor' (see below)
· increased unemployment among women (as described above)
· a rise in overcrowding

The 'newly poor' The local practitioners we spoke to reported evidence of both greater numbers and different types of groups, implying that people who were previously unknown to service providers are now in poverty and in need of support. This influx of new clients who had hitherto been out of reach of local services supports our national findings, where a large 'newly poor' group appears in both child poverty groups and working adults without children:

[On] the so-called affluent side [which is] used to being, let us say, less of a problem, the children's centres there are finding more and more evidence of what I call the 'new poor' – people in much higher level jobs that have lost their jobs and have huge mortgages and have never been in that position before, and

actually are less resilient than some of the families that we work with in the much more deprived areas.

The practitioners also reported that the new poor were leading the trend in an increase in houses repossessed and redundancies in more affluent areas over the past couple of years.

Patterns in service use Some of the practitioners reported a shift away from (single) mothers accessing services to older women with 'more drive' (perhaps the managing mothers reported in chapters 3 and 4), as well as increased demand for support services helping people with managing finances and budgeting. Volunteers reported being asked to show families how to shop and cook on a budget, but at the same time services reported their own financial difficulties in the face of this increased demand: 'We've been heavily cut this year, to the point where client need is through the roof and we're struggling.'

Demographics One area reported a reduction in pensioner poverty relative to five years ago. This was thought to be partly due to the political disengagement of the majority of the population – boosting the influence of the older, voting population when it came to the national government's pensions and welfare reform policies being relatively positive for older people.

Nonetheless, areas also reported a growth in their older population, linked to the national demographic shift but exacerbated by young people who leave the district to study and do not return.

As a result of the high rates of teenage pregnancy in some areas there is greater grandparental involvement, and it was also some practitioners' experience that extended families tended to stay together in the most deprived areas because there was less competition for housing (so they have the option to stay), through cultural preference, they felt safer there and because of the availability of informal childcare.

Practitioners reported seeing an increase in multigenerational households, with more grandparents present in the home and more children moving back in with their parents.

Welfare reform Welfare reforms are a particular concern for the housing providers and other support services we spoke to. Some predicted that 14–25 per cent of tenants' income would be lost through welfare reform, with the cap on Housing Benefit having a huge effect. Housing providers and housing-related services were acutely conscious of challenges ahead, reporting that 'the changes are still ahead of us'. There was a concern that enforced movement out of an area would mean 'upending support networks that are already limited'. Young men were also singled out as being particularly vulnerable to the impact of cuts to Council Tax Benefit (perhaps something our 'insecure singles' and 'one man bands' might face).

There was also widespread concern about Universal Credit from both the Council and front-line services. For example, many of those on low income have a post office account but no bank account, and people are very reliant on cash. The Universal Credit, relying on electronic transfers and online access, will not be accessible to everyone: 'Come the introduction of Universal Credit people are going to feel like they have more money in their hands… but they won't.'

This resonates with the findings of a recent Social Market Foundation report regarding people's concerns over how they will manage Universal Credit as a single monthly online payment.[229]

Local approaches to tackling poverty – joint working
Practitioners in the three councils we spoke to employed a range of techniques to identify and support people with low incomes. Some of the most interesting examples of multi-agency and joint working are outlined here.

Health One local authority automatically enrolled children at their birth registration at the children's centre to ensure they had the data they needed to understand the local population, and to encourage take-up and use of the children's centre's integrated range of services. At the same time, 'area teams' based in children's centres carry on work with older children in the community, including in schools.

One local primary care trust was commissioning council housing workers to implement public health initiatives, while another was carrying out preventative work promoting good mental health in at-risk groups, for example, young mothers, Asian women, residents in a geographically deprived area, and groups of materially deprived young people.

Qualifications and employment One area was cohousing adult learning with health services to address health issues that are affecting people's potential to learn.

Changing attitudes and aspirations One area described how more intensive attention helps to 'break the cycle' of dependence on services, while another voluntary and community sector service described how it worked with people at the 'pre-motivation stage' – simply building up their confidence to engage with the services they needed. This was contrasted with what was seen as the typical reactive approach on the part of statutory services.

How professionals support people in their aspirations was identified as important – gradually allowing communities to take control.

One local authority had developed a risk and resilience framework to promote confidence and community capacity-building within schools. Another had a council team whose specific remit was building resilience within communities, with intervention targeted at wards scoring poorly in the Social Capital Survey.

Employment and money Children's centres in one area had involved parents in a structured volunteer scheme with the aim of recruiting further users. These parents were allowed to access the council's safeguarding training, in an effort to help them into employment.

Another area had held a cross-disciplinary awareness-raising event into illegal money-lending. This was a joint venture between social services, local authorities, the voluntary and community sector, health and housing providers, while another social housing provider we spoke to had commissioned a mediation service and a money advice project.

Neighbourhood A practitioner in one voluntary and community sector organisation told us it was using 'Section 106 agreements' to capitalise on developments in the local area and secure positive outcomes for its service users. 'Section 106' is a clause which requires developers to take steps to mitigate the negative effects of their activity on the local area. They are most commonly used by local authorities to require developers to contribute to utilities such as road surfacing and street lighting. However, this organisation was lobbying for a contract to supply a certain number of cleaning and maintenance workers from among its service users to boost local employment, and for use of some space in the new development.

A partnership between the primary care trust, police, Street Scene and housing association was reported with the aim of reducing duplication of effort, after it was recognised they were primarily servicing the same client groups. We were also told how different advice services (for housing, older people, and so on) had been integrated into a single partnership. Members of the partnership had contracts from the local authority to deliver advice to specific groups, for example older people, housing, though they were encountering early problems related to differing referral criteria.

Community partnerships were identified as having recently bridged the gap to become commissioners of services within the third sector: 'services are generally focusing on tackling long-standing issues rather than adapting to recent changes' and 'austerity has been an impetus to being positive about what can be achieved in the face of cuts'.

Box 16 lists the joint working arrangements in place in our three pilot areas.

Box 16 **Joint working arrangements in place, reported in the three pilot areas**

These are the joint working arrangements that exist in the three pilot areas we covered in this study:

- *women's centre + drug and alcohol team*
- *adult learning and skills + Jobcentre Plus*
- *family planning located in community centres*
- *referrals from health and school nurses to children's centres*
- *private childcare providers signposting to voluntary and community sector-run after-school and holiday clubs*
- *libraries*
- *health visitor + family support worker joint home visits*
- *children's centres + police*
- *NHS + housing*
- *housing + YMCA (making and receiving referrals)*
- *housing + Age UK*
- *health + adult learning*
- *referrals to adult learning from mental health services and social landlords*
- *housing + children's centres*
- *Citizens Advice delivering drop-ins from children's centres*
- *local law colleges providing advice*
- *housing and colleges*
- *family support volunteers present in maternity wards seven days a week*

Joint working arrangements and partnerships desired
Despite the scale of the good work already being done, many of the local practitioners we spoke to expressed frustration at not being able to forge the links and joint working partnerships they wanted in order to help their client groups. In particular, practitioners in a large number of statutory and voluntary and community sector services we spoke to had tried unsuccessfully to make links with a range of NHS services, including midwives, GPs and public health. Primary and secondary schools were also unresponsive to attempts to implement joint working, and there was poor

understanding and links reported between children's and adult services.

A lack of contact with local businesses was also a source of regret: one community centre had a time bank system, where volunteers were rewarded for their time with vouchers. This charity had approached several businesses (for example the local cinema and coffee chains) to donate rewards for volunteers without success.

Several services simply sought more permanent joint working arrangements with other agencies, as opposed to the more common temporary, ad hoc arrangements. There was a consensus that 'partnerships are financially and capacity driven'.

Facilitators to joint working

People in the organisations we spoke to also offered tips on how they had achieved joint working. For examples, voluntary and community sector-run community centres had found it useful to rent out space to other (voluntary and community sector and statutory) agencies to run groups and training sessions, or more permanent colocation agreements, though some felt that the capacity for joint working was 'personality-led' – contingent on the particular staff within different services.

Some voluntary and community sector organisations had run networks and events with 'mainstream' (statutory) agencies, and had invited other professionals, for example health visitors, to shadow them for a day.

Some felt that opportunities for joint working had to be encouraged, and the ability to detect issues outside a service's immediate remit depended on staff outlook: 'We've drummed it into our staff to look at everything through a child poverty prism… There's often something else going on. I don't think people are actually looking.'

At the more formal end of the spectrum, organisations found it helpful to have service level agreements, involving a quarterly meeting to discuss outcomes, and arrangements which permit one service to have priority access to another

– for example, in one area an advice centre had a certain number of slots reserved for referrals from housing: 'Joint funding to the third sector would really help in terms of reducing overlap.'

One practitioner told us:

Because we tend to deliver contracts that have been designed by another agency, we're trying to encourage local statutory agencies to embrace the concept of codesign. Often it's quite one-sided; we're brought in later on to deliver it so we don't have a huge amount of influence as to how it might be delivered.

Barriers to joint working

There were, perhaps understandably, more barriers to joint working than opportunities reported to us by local agencies, which are discussed below.

Finance and capacity issues There is always a high output required from public services, which impacts on openness to innovation and partnership with the voluntary and community sector. 'There is more reluctance to take risks in delivery than there was previously.'

Stretched finances and capacity result in services being unable to maintain staffing levels or extend opening hours, and services reported being too stretched to focus on multiple problems or problems outside their immediate remit – they didn't have time for joint working. Joint ventures were often the result of a particular pot of money being available to facilitate them, and such opportunities are fewer in the current environment.

Systemic The commissioning process itself was identified as a barrier to joint working. It takes time to get to know and build a relationship with another organisation, but this may then be decommissioned and progress is lost. There were also reports of unhelpful cutoffs and criteria used by statutory agencies, for example, a national charity's volunteers provided intensive family support, but were not allowed to continue working with

families where a social worker had become involved. Variation in service structures can militate against the multi-agency approach required to deal with groups like troubled families – where, for example, the police (with a stricter hierarchy and less authority devolved to front-line officers) are required to work with more autonomous front-line workers of small charities. It was felt that it might take longer to get information back to the front line in big local authority services than in small charities.

Referrals Agencies working together sometimes refer on to partner agencies without preparing service users for what to expect at the place of referral. 'Warm referrals' (agencies handing over case information and preparing the way for clients) were felt to be a promising – though more time-intensive – solution. There was also a sense of increased 'possessiveness' between services of their users, exacerbated by increased competition because of the threat of cuts.

Relationship between the voluntary community sector and statutory services Partnerships were often difficult between statutory and voluntary services, as a result of their different cultures and priorities. Some charities reported that they were excluded from helping, as local authorities too often consider only statutory services or commissioned the voluntary and community sector, excluding non-commissioned voluntary and community sector staff from the communication loop when they have insights to contribute. Others also reported that while short-term interventions were often flawed, there was pressure to time-limit intervention where services were statutory or contracted.

Charities felt they had to expend time and effort on encouraging referrals from statutory services, even where they had been contracted to deliver a service (for example welfare to work) by the council. Some charities felt that the attitude from the statutory services was that 'they are the professionals' and 'know what they are doing'. Nonetheless, local authorities recognised the importance of the local charitable sector, with

one service manager explaining, 'Building links with voluntary sector organisations lends us some of the confidence people feel in those environments.'

Previous experience of splitting poverty into types

All of the local authorities we spoke to during the course of this project (and not just those participating in our pilot) had attempted at some stage to better understand the groups in their area in need of support and particular services, most of whom were in poverty or on low incomes. They did this in a variety of ways, and we report their experiences here.

One local authority had used the Indices of Multiple Deprivation to identify a series of 12 priority neighbourhoods (falling in the bottom 10 per cent nationally). They subsequently used a series of national and local data sources to drill down into these areas, and have set up 'area delivery groups' for each neighbourhood. They began by using national data, but started using local data in response to an observed widening in inequalities and therefore irrelevance of data based on national averages.

One authority was already mapping causal types such as 'health-related poverty' and 'skills-related poverty', but did not take into account individual or family circumstances because of the lack of sufficient household level data:

We do label single issue poverty, and say 'because you are ill', when we should be thinking, that may be the primary reason, or it may be a contributory factor – I don't think we're that sophisticated. You have to start looking at people at a household level. We don't look enough, I think, at a household and family level.

In one area, which consisted of a small city centre and several isolated outer settlements, it had been natural to take a geographical approach; the local authority and voluntary and community sector services showed a good understanding of how needs divided geographically.

Some practitioners had focused on identifying different levels of poverty more than different types of poverty:

There are families that are on benefits and on the face of it tick the poverty box economically, but actually because of the family support they've got round them, and the stability and their own resilience, cope fairly well.

When one children's service we spoke to found itself without enough funding to provide a free nursery place for every three-year-old, it developed an indicator-based approach to create eligibility criteria. The basic criterion was whether the parents were claiming benefits, and they added to this other risk factors, for example disabled parents, disabled child, domestic violence, drug and alcohol misuse. This has been effective in prioritising a scarce resource for those who would need it the most.

Some interviewees mentioned using geographic information system (GIS) models[230] and ACORN, while one council had previously used MOSAIC to map which lifestyle groups were most prevalent in the borough. This was useful because before that there was a tendency to assume that lifestyles (and therefore needs) divided along lines of ethnicity. It is now recognised that this is an oversimplified view.

One local authority had embarked on a 'Top 30 Families' initiative to identify those families with most contact with multiple statutory services in the area. This proved difficult, because agencies did not share personal data with each other.

Box 17   **The range of data sources used by the pilot areas**

· *MOSAIC and ACORN*
· *a biannual 'state of the district' report including economic data, social data and demographic data*
· *Police and Communities Together (PACT) data to gain qualitative insights*
· *ethnographic studies carried out by regional universities on the area's housing estates*
· *data on loan-sharking and payday loans*
· *data on fuel poverty, and a dedicated fuel poverty team*
· *locally collected data on community participation – electoral*

turnout down to ward level, attendance at police events and forums, for example
· *OAK – an open source version of things like CACI*
· *a child poverty assessment that is part of the Joint Strategic Needs Assessment*
· *bespoke studies, including a recent piece of work on male Incapacity Benefit claimants and lone parent Incapacity Benefit claimants, and why there are high numbers in these groups*
· *an independent poverty and prosperity commission*
· *work on Total Place, focusing on alcohol, worklessness and poverty in specific areas of the district*
· *child poverty innovation pilots*
· *special and locality research associated with neighbourhood renewal*
· *annual residents' surveys*
· *needs analyses by services – comparison of the clients being seen by a service with the makeup of the general local area, to work out which groups are missing*
· *database of resident involvement held by a social housing provider (though underused)*

Data sharing

Practitioners in the vast majority of services we spoke to reported that they didn't share information with other agencies, except with the permission of the service user. In some services such permission was often forthcoming: 'It is very rare for a family not to want information shared', though presumably this depends very much on the type of service.

Some shared information about 'engagement, but not content', so agencies were generally not able to identify multiple problems in the same household in the absence of disclosure by service users.

Barriers to data sharing

Barriers mentioned to improved data sharing were 'getting appropriate up-to-date data at the right level' and 'governmental sources not really matching up at a local level':

Since the demise of the Audit Commission, the clear message following the general election was, 'This stuff is a waste of time, if you want it then collect it yourself, we're not going to fund it any more.'

There was most demand for shared data from DWP and the NHS (particularly GPs), although one of the three pilot authorities was unique in having good links with health:

We're quite unusual. Our data sharing and delivery sharing with health has been really strong, so that's a huge bonus for us… I've worked in other authorities where it hasn't been anything like as developed.

In the absence of data sharing with health services, one local authority had had to resort to using Blue Badge data to track households where someone has a disability. This is a poor indicator as it only covers households with cars, and people whose mobility is severely affected.

Frictions between organisations also led to people 'guarding' their data: 'In the current climate there's also a little bit of a lack of trust between organisations.'

Both statutory and third sector respondents felt that, in general, small voluntary and community sector organisations were better than national organisations at sharing. Privately contracted services commissioned by the local authorities were seen as particularly 'scared' of sharing information, and in one area, where relations between the local authority and voluntary and community sector were especially fraught, statutory services were felt to be using data-sharing restrictions as an excuse for not working in partnership with the voluntary and community sector. On the other hand, those in the local authorities we spoke to were aware of the practical measures that could foster good links between themselves and the local-authority-funded voluntary and community sector. These included making monitoring data outcome-based, and holding regular forums for the voluntary and community sector to share qualitative data and intelligence.

Another problem is that local authorities do not currently hold information on material deprivation, but this may change as responsibility for the Social Fund is devolved to local authorities; in future the number of applications for grants for fridges and so on can be used as a local data source.

One local authority explained to us that it knew what benefits people were on, but could not cross-match these data with other data. They had investigated the possibility of using income data from Housing Benefit to map poverty, but they could not do this as Housing Benefit only administer the data which in fact belongs to DWP. Therefore, even local housing teams do not have the means to keep track of who is in the household, even using Council Tax data: 'This is one of the big issues surrounding the current welfare reforms – that they [the DWP] know more than we do.'

Other big knowledge gaps were identified: a dearth of information about people in privately-rented accommodation, and more mobile black and ethnic minority populations (for example asylum seekers or immigrants moving around areas looking for work).

Could local authorities replicate this process?

As outlined above, the difficulties of local data sharing and data matching means the model outlined in the first part of this report, using a comprehensive household panel survey, is beyond the reach of the vast majority of local authorities, but a local authority could quite easily replicate the process we undertook with our local pilot areas – essentially comparing available local data to the national poverty groups – and use the insights in this report associated with the closest matching groups to help guide more holistic interventions. Moreover, this could be carried out using a less comprehensive range of indicators; instead of attempting to gather data across the full 20 indicators we have used – which might be a challenge – local authorities could gather data related to the smaller group of 'key indicators' we have described for each poverty type in chapter 3. These were the most prominent from our quantitative analysis of Understanding Society and identified

as the most important through interviews with people belonging to these groups.

Focusing on a narrower set of indicators would give a less comprehensive view, and perhaps might reduce the chances of finding a complete match between local and national groups, but could still be used to prompt joined-up responses to different groups on low income.

An alternative approach could be for local authorities to identify their own key indicators – by speaking to front-line practitioners in the statutory and voluntary sectors and local people themselves – to identify the defining features of local poverty. This could be verified by gathering the local data available on these features, before using them to match to national groups. Again, this approach, while not creating bespoke local poverty groups, would still generate valuable local insights to guide policy and practice informed by local people and practitioners.

What would local authorities need from a toolkit?

I think we'd need, along with this toolkit… some sort of defining factors of where the family is deemed not to be in poverty, and then we could probably measure it back because as part of our initial assessment we go through a lot of the things that are on this list.

In the light of discussion with local authorities and service providers in the three pilot areas, we present here a summary of issues that the toolkit has the potential to address.

We heard that obtaining data on enough groups at a detailed enough level was difficult, and that the voluntary and community sector in particular was a potentially rich – though untapped – source of data. Practitioners in this sector in particular may see groups that do not access statutory services. The toolkit could provide an impetus for local data audits, where local authorities round up all the data they possess from different departments, paying particular consideration to their voluntary and community sector partners. We heard that stretched resources had resulted in data collection and

maintenance becoming less of a priority for some charities. Where data audits reveal certain services to be sources of unique data, local authorities might choose to provide some extra support to these services.

Many services reported being too stretched to consider their users' needs outside the immediate service remit, that service managers sought permanent partnerships with other agencies and not ad hoc arrangements dependent on pots of funding, and that referrals were inefficient, with many people never reaching the referral destination. The toolkit will help to identify the core services different poverty groups are accessing and the ways they could come together most effectively.

The toolkit could also provide a way for services to demonstrate their (indirect) impact on poverty, cementing poverty as a universal responsibility. For example, if one target group has 'ill health' and 'behind in paying bills' as core features, then a GP who has treated a patient and directed them to Citizens Advice has done more to lift that individual out of poverty than a GP who has just provided treatment.

The toolkit

In chapter 4, we described how our national findings might be used in a toolkit to help develop thinking at a national level of the ways in which each of our poverty groups might be identified, targeted, and helped out of poverty based on their specific 'type' of poverty. While this will be instructive for local authorities, it is clear (as we explained in chapter 5) that local authorities would only be able to make full use of a bespoke local toolkit – informed by their own poverty types specific to their local demographic. To do this, as we explain above, we would need to repeat our analysis with Understanding Society with either a single custom-built household survey (like the Newham Household Panel Survey) or with a range of datasets brought together and matched at household level – a difficult and resource-intensive task.

In the absence of both of these in the three pilot areas, we married instead a range of local datasets (collected at borough,

ward and postcode level) with our national poverty types to identify which of them were most prevalent in the areas and then refine them using qualitative insights (as per the methodology described above). We were then able to create a local toolkit for each area; although not perfectly matched to the local demographic's poverty types, they demonstrated how a multi-dimensional analysis could guide policy and practice to tackle poverty 'types' in an holistic fashion.

In this section, we recreate what a 'local toolkit' might look like, drawing from our experiences of piloting our analysis in three local authorities. The toolkit outlined below is a hypothetical local example, developed by combining the insights we gained from all three local authorities through our interviews and focus groups with front-line practitioners and their clients.

Description
The first thing practitioners need to know in order to build a response to one of the types of poverty is what the characteristics of that group are; what combinations of problems are they experiencing? How do they interact? What is the most significant dimension?

This description needs to be tackled with local data, taking into account the local demographic and in particular ethnicity, gender and age, as well as location down at ward level. For example:

Type 2 are most likely to be newly arrived Eastern European or Somali groups, in two-parent families with several children under six. They are most likely to live in overcrowded rental accommodation in the two main estates to the east of the city. Their lack of English language skills and poor qualifications will be the primary barriers to employment, which is very high, although as they have moved to areas with poorer life expectancy they may begin to experience health problems related to overcrowding and poor infrastructure in the longer term. They have material deprivation, and few own a car.

Identification
Practitioners next need to think about how they will recognise these types in their local population – by knowing the size of the group, and the services that they are most likely to already be in contact with.

This identification needs to take account of the full range of statutory and voluntary services. For example:

Type 2 are the third most prevalent child poverty type in the local population – forming 21 per cent of low-income families in the borough. They will have most contact with the children's centre, thanks to their joint work with the local immigration team who automatically register new arrivals with children, as well as welfare support teams, the local Somali asylum support charitable group and mosque. The residents' association on the estate where many of these families settle may also have contact with or awareness of these families. GPs and the two primary schools near these estates should also be made aware of these groups in their newly registered patients and pupils.

Harnessing existing resources
At this stage, local practitioners and policymakers need to think about what services are already in place to target people experiencing each type of poverty, and how the dimensions of their poverty can be addressed through existing policies and interventions. In some cases, disparate services can be brought together to tackle multiple and complex needs more effectively.

From our pilot findings above, we know there are plenty of good examples of joint working, and these need to be explored fully. For example:

To help type 2 poverty, adult education, language support and housing support need to be combined, perhaps (given that these families do not have a car and local transport links in that part of the city are poor) through colocation. Housing providers should be made aware of the need to rehouse families and ease overcrowding, as well as the need to work with local skills and language charities and asylum support groups (perhaps through mobile outreach,

delivered in the community centre on the estate). The children's centre and local immigration team, and health visitors for those type 2 families with small children, will be crucial in helping housing providers identify families most materially deprived and in overcrowded accommodation. Their information will also be useful for budgeting and debt management support organisations to assist these families with their lack of resources, as they are struggling to cope. Again, this might be colocated within housing provision or on-site in children's centres. Housing providers might be able to identify which households are in arrears, in order to prioritise these families for such help.

Committing new resources

Additional steps may need to be taken to help improve people's quality of life and tackle the different driving factors which keep them in poverty – by providing extra services and interventions, introducing new policies and strategies, and changing the allocation of resources. For example:

Given the material deprivation and very low incomes of type 2 families, it may be necessary to consider debt and budgeting advice delivered in other languages – using the mosque and cultural support groups from the eastern European community to help codesign and codeliver these services might be the best way forward. This may require the expansion of childcare services offered alongside, so that mothers (who may be responsible for the family budgeting) looking after their children can also make use of these services.

Investment in the skills, language and budgeting support to offer greater outreach will be valuable to these type 2 poverty groups who are not very mobile and may find it difficult to access services located across the city. Health visitors might also require further investment to help these large, young families tackle a range of poverty-related problems and facilitate their access to support services.

Measuring impact

To know that these interventions are having an effect on multi-dimensional poverty types is not as simple as measuring income. However, for each type, there are outcomes that can be tracked to show improvement within this type.

Improvements will need to be identified through a range of national and local data; however, some local proxies (where national data is inaccessible) can be useful. For example:

Improvements in Type 2 poverty are likely to be seen through reduced overcrowding and take-up of language and skills support, in the medium term reductions in reported arrears and improved employment.

A note on rural poverty

Two of the three pilot areas for our poverty toolkit were predominantly urban, and all based in England. While we did not have the resources to carry out a fourth pilot, we did feel we needed to explore a contrasting experience of the challenges of poverty. In addition to the three full-scale area pilots, we therefore also carried out interviews with Carmarthenshire council and a local service manager. This is a sparsely populated rural area, and we were keen to hear about the specific features of rural poverty and the challenges of identifying and tackling poverty in a rural setting. We also wanted to understand any facilitators or barriers to addressing poverty in a devolved administration where powers around child poverty are somewhat different.

Poverty in Wales

The Welsh Assembly Government has had its own child poverty strategy since 2005. A Fair Future for Our Children differed from the UK strategy in having its basis in the UN Convention on the Rights of the Child, considering dimensions other than income such as participation, discrimination and access to services. The Welsh approach reflects the fact that the Assembly Government controls only *some* poverty-related policies (education and learning, childcare, social care and play), while other key drivers of poverty and poverty reduction remain in the control of the UK

Government (taxation, welfare, the national minimum wage, employment rights and welfare-to-work programmes).

Since 2010, the three strategic objectives set for tackling child poverty have been:

· to reduce the number of families living in workless households
· to improve the skills of parents and young people living in low income households so they can secure well-paid employment
· to reduce inequalities that exist in health, education and economic outcomes of children and families by improving the outcomes of the poorest

Area overview Carmarthenshire is situated in the south west of Wales and is the third largest county in Wales.[231] Roughly 19 per cent of children in Carmarthenshire come from families that receive some form of out-of-work benefit, with a range of 3 per cent to 38 per cent.[232] The proportion of families earning below 60 per cent of median income across wards ranges from 17 per cent to 58 per cent[233] and Carmarthenshire includes some of the most deprived areas in Wales on the Welsh Indices of Multiple Deprivation, including Glanymor, Bigyn, Tyisha, Llwynhendy and Lliedi.[234] Nearly three-fifths (58 per cent) of Carmarthenshire's population live in sparse or super-sparse areas.[235] Those we spoke to reported that (in contrast with more urban areas) poor communities tended to be geographically separated from wealthier ones. This was believed to result in reduced stigma and reduced self-consciousness among people living in deprivation, relative to other parts of the UK.

Carmarthenshire performs well in secondary education, with GCSE performance higher than English national averages.[236] However, the figure of 34 per cent of the population that has no qualifications is distinctly higher than the Welsh and English national average of 29 per cent.[237]

There are relatively low unemployment rates in Carmarthenshire – in the financial year 2011/12, 69.6 per cent of the population were employed and only 6.5 per cent unemployed, compared with 8.4 per cent in Wales, and 8.1 per

cent across Britain as a whole.[238] However, the rate of people claiming out-of-work sickness benefits is high: in 2012, 10.3 per cent of the working-age population was claiming Employment and Support Allowance or Incapacity Benefit, compared with 9.2 per cent in Wales and 6.2 per cent in Britain.[239] Service providers we spoke to reported seeing many families in their third or fourth generation of economic inactivity. They also cited the introduction of the minimum wage as the most effective poverty-reduction measure in recent years, but the rise in the minimum wage was also blamed for a recent increase in the number of jobseekers aged 18–24, as employers began demanding more experienced workers for their extra money.

The majority (72.4 per cent) of the residents of Carmarthenshire own their own home, while 14 per cent live in local-authority-owned property. The rates of homelessness in Carmarthenshire in 2006 were 0.8 percentage points lower than the national Welsh average, resting at 5.5 per cent.[240] Housing in the area appears to be becoming less affordable, with council spending on Housing Benefit increasing by £4 million from 2008/09 to 2009/10. Those we spoke to reported a rising demand for temporary accommodation. Furthermore, large parts of the population live in fuel poverty, with many still dependent on oil, Calor gas, electric heating, or even coal. This is particularly concentrated in Llanelli and Carmarthen.[241]

Local response Carmarthenshire has developed a two-part local response to poverty. The Council's Integrated Community Strategy is a five-year plan that began in 2011 and will run until 2016, with an aim to provide joined-up services, minimising the risk of people being overlooked – a risk which was identified as significantly higher in sparse rural populations. Services are provided through the Local Service Board and bring together a range of strategies that were previously published separately. These include the Children and Young Persons Plan, the Child Poverty Strategy, the Community Strategy, the Health, Social Care and Wellbeing Strategy, the Community Safety Plan, Carmarthenshire Connections Regeneration Strategy and

the Environment Plan. The emphasis on integration of services and resources was seen as a specific response to rural needs, where a small but geographically dispersed population might either get duplication of services, or none at all, and where data sharing and cooperation was vital in the absence of colocation or geographical proximity to maintain informal communication channels.

The second fork of Carmarthenshire's strategic response is the Local Development Plan. This sets out the policies and proposals for the future development and use of land within each area, based on consultation and engagement by the local authority with its stakeholders.[242] Again, planning and strategic land use to develop the appropriate housing, services and infrastructure for local communities was an important priority, given how these very practical issues could exacerbate the impact of low income.

Local challenges In Carmarthenshire, the lack of access to services, poor infrastructure (such as utilities) and limited transport were all important factors in worsening the impact of poverty. Social isolation, driven by geographical isolation, fuel poverty, and financial and digital exclusion, was associated with low income more generally, and this was particularly prevalent among the older population. For example, many of Carmarthenshire's 58 wards are not served by buses, GPs or post offices, which makes the types of poverty strategy we discussed in our urban pilot areas impractical. In the north west, the council has instituted a dial-and-ride scheme called Bwcabus and buses are also used to bring services such as IT courses and children's activities to isolated areas (similar to mobile libraries), but systematic outreach is resource intensive.

Practitioners we spoke to tried to be flexible and responsive to the needs of current and potential service users. They invested time in 'warm referrals', for example, by accompanying a family on their first visit to another agency, and by introducing service users to other practitioners in a comfortable context, such as a coffee morning. Keeping relationship-based contact with families was important where regular physical contact or drop-ins were impossible. Open-ended services were thought to be a key to building trust and successful engagement, with one manager reporting: 'I do believe that long-term support is very important. Short sharp interventions have their place, but they only go so far.'

Many practitioners we spoke to engaged in outreach activities, sometimes simply by going door-to-door in rural areas. In evaluating and designing services, there was a strong emphasis on consultation and qualitative feedback from customers – as a means of directing scarce resources most effectively, guided by local people themselves, and using local intelligence to identify needs (relying on neighbours or friends to alert them to families or individuals who might be in need of help).

The council used some of the electronic datasets and tools mentioned in chapter 6. Those we spoke to highlighted a particular need for household level data in the rural setting, as data at any higher level risk disguising important variation between households where areas are sparsely populated.

Overview

This chapter has brought together a significant amount of information and insight learnt from attempting to apply our national analysis at local level, using local data. We have shown how this is a very difficult thing to achieve, primarily because of the variability in local data, but also as a result of difficulties in joint working between agencies and between the statutory and local community sectors. However, we also found that local authorities are attempting to gather and join up data to improve their understanding, and there is a strong desire to do more. There were several local pioneering examples of where agencies as diverse as housing and education, childcare and debt advice and so on had come together, clearly because they had identified a common group between the two.

Nonetheless, it is clear that an evidence-based strategy to guide a more systematic approach to joint working and

information sharing would be the best way for local authorities to tackle local poverty and the wide range of social problems connected to it. Not only would this make more effective use of ever more limited resources by reducing duplication of effort and highlighting the most effective ways of tackling poverty through amplifying each other's resources (the whole being more than the sum of its parts), it would also raise awareness of poverty as a multi-faceted problem. Rather than poverty being one organisation's responsibility, a toolkit could create a sense of joint ownership of tackling poverty locally, with each agency – from the GP to the nursery to the urban planner – recognising they have a role to play.

Tackling the big data collection and sharing issues to help generate the evidence to guide local thinking – outlined in the previous chapter – is vital.

8 Conclusions and recommendations

This project sought to create a new model to analyse poverty in a multi-dimensional way, which would be helpful to enable policymakers and practitioners to move from a one-size-fits-all approach (usually focusing on improving income) to a more nuanced and multi-faceted one – based on the lived experience of people actually on low income. The model is an entirely new way of understanding poverty, developing types of poverty characterised by the interaction of different indicators and in so doing capturing the complex nature of the lived experience of poverty.

Marrying robust statistical evidence with 'real life' is not easy, but it is vital if the model is to be easily understood by the public and policymakers, and used by practitioners on the front line seeking to tackle poverty. Our findings work on two levels.

The first is by raising awareness of and tackling misconceptions about people living on low incomes – the lack of a poverty measure which describes 'real life' has led to assumptions and prejudice informing how we describe poverty, which has a damaging influence on the policy response to this. We believe this can be seen in the focus on troubled families and the commensurate neglect of the majority of those on low incomes who strive to make ends meet and need a very different sort of (and far less resource intensive) assistance.

The second is by guiding thinking on how to tackle different types of poverty in a multi-agency and coordinated way – including how to readily identify different groups and recognise which combinations of services are most effective in helping them. This process is as much about the better coordination of existing resources as it is about developing new strategies and committing new resources.

We believe that the model we have developed is of as much interest as the findings it has generated.

Our recommendations

The findings generated by this model should be used to inform the child poverty strategy and the approach should guide poverty strategies at national and local level

Looking at different 'types' of poverty, requiring different approaches to tackle them, is an entirely new way of thinking about poverty and can prompt new joint working and partnerships in agencies that might have not considered coming together before. In particular, we suggest policymakers and practitioners look carefully at newly poor groups in each of the three cohorts and consider how targeted and timely intervention might prevent these groups from becoming entrenched and developing a wider range of social problems. We also believe the way of thinking about social and economic support is important to prioritise and channel resources not only for those most in need, but also for those perhaps easiest to help who often fall under the radar.

The analytical model we have developed should be given careful consideration by national policymakers as they consult on a new multi-dimensional measure of poverty

This model, and the process we went through to develop it, will be instructive to teams in the DWP and Child Poverty Unit as they pursue a new measure of child poverty – the consultation on which is being launched at approximately the same time as this report is published (November 2012). We would hope that our approach might underpin and help inform the Government's approach and that our analysis is compatible and acts as a way on enriching whatever the Government decides on following the consultation process. We will be submitting this report and the technical methodology published by NatCen to the consultation, to do what we can to help with what is a challenging undertaking.

We urge the Government to help local authorities to tackle the problems they encounter with the collection and sharing of local data

Many local authorities and practitioners felt the funding had been 'cut off' to assist them since the abolition of the Audit Commission. Being left to their own devices (with limited resources) in collecting data was thwarting their attempts to tackle a range of social and economic problems, no doubt leading to greater inefficiencies overall because local authorities and practitioners were unable to target and coordinate local interventions properly.

As greater responsibility is passed to local authorities for the wellbeing of their populations, the Government must ensure the infrastructure is in place to enable them to do this. A central plank of this infrastructure is a databank providing a clear understanding of the nature and scale of local problems in order to inform strategy. The Census may prove very valuable on this front, but the need for household level data is an overriding and pressing priority for every local authority we spoke to during the course of this project.

We ask the Government to use the Welfare Reform Act data-sharing powers related to troubled families as a test run for widening these powers to help local authorities tackle child poverty

We recognise that troubled families are a priority given the resource-intensive nature of the support they require. Nonetheless, it is important to remember that troubled families belong in the wider in-poverty population, that poverty underpins these families' difficulties, and that other groups on low incomes need assistance too. Without the tools to identify these households, local authorities will be unable to provide the early help needed to prevent these families' disadvantage becoming entrenched.

If the Government wants to tackle the social problems associated with entrenched, multiple deprivation and hardship, it cannot only focus on families in this situation at the present time. It must also look ahead at those groups which are at risk

of these problems. Our findings help identify those groups nationally, and suggest ways in which existing resources might be combined to help these families in the most cost-effective way. But only with improved data sharing will local authorities be able to identify and reach these households to deploy such strategies.

Appendix:
Poverty indicator definitions

Below are detailed descriptions of what each of our poverty indicators measured, and how these measures were reflected in the Understanding Society survey data.

Income
Household income from all sources – this includes wages, benefits, tax credits, private and state pensions. Income has been categorised into quintiles within each of the low-income types. *Note that all households in the poverty classes have an equivalised net income that is below 70 per cent of median income.* The amount of income that this equates to varies for households of different size and composition – as for economies of scale, households need different levels of income to achieve the same standard of living. Table 8 shows weekly household income levels for different household types.

Table 8 **Weekly household income at 70% median by UK household type, 2012**

Household type	Weekly household income at 70% median
Single person, no children	£145
Couple with no children	£250
Lone parent, two children (aged 5 and 14)	£299
Couple, two children (aged 5 and 14)	£404

Lack of durables

This scale captures whether families lack typical consumer durables such as a colour television, video recorder or DVD player, satellite dish or Sky TV, cable TV, deep freezer and

separate fridge or fridge freezer, washing machine, tumble drier, dishwasher, microwave oven, home computer or PC, CD player or hi-fi, landline telephone, mobile telephone (anyone in household).

The scale is prevalence weighted, meaning that each item is assigned a weight reflecting its level of prevalence in the population of families, for example if 97 per cent of families own a television, then a family that lacked a television will be assigned a score of .97 to its overall score. The prevalence weighting was calculated for each family type separately (although across the whole income range) to take account of typical differences in the ownership of consumer durables across family types.

Lifestyle deprivation

This indicator uses the Household Material Deprivation Index – a scale capturing whether households could afford to access a range of activities and that most of us might take for granted, including enough money:

· to have a holiday away from home for at least one week a year, not staying with relatives at their home
· to have friends or family around for a drink or meal at least once a month
· to have two pairs of all-weather shoes for all adult members of the family
· to keep the house or flat in a decent state of repair
· to have household contents insurance
· to make regular savings of £10 a month or more for rainy days or retirement
· to replace any worn out furniture
· to replace or repair major electrical goods such as a refrigerator or a washing machine, when broken

Again, we calculated prevalence weighting for each family type separately.

Child lifestyle deprivation

Like the Household Material Deprivation Index, this indicator uses the Child Material Deprivation Index – a scale capturing whether parents can afford to provide their children with a range of experiences that most children might take for granted, including:

· to have a family holiday away from home for at least one week a year
· to have enough bedrooms for every child of ten or over of a different sex to have their own bedroom
· to have leisure equipment such as sports equipment or a bicycle
· to celebrate special occasions such as birthdays, Christmas or other religious festivals
· to go swimming at least once a month
· to take part in a hobby or leisure activity
· to have friends around for tea or a snack once a fortnight
· to send children to a toddler group, nursery or playgroup at least once a week
· to participate in school trips
· to have an outdoor space or facilities where children are able to play safely

These were also prevalence weighted.

Behind in paying bills

For this indicator we counted whether families had been behind in paying any bills in the past 12 months, including rent, mortgage and Council Tax. This indicator also distinguished between whether households were not behind on any bill payments, were behind in paying some of their bills, or behind in paying most or all of their bills.

Tenure

This indicator distinguishes between whether households were renting, owned their property and were making mortgage payments, or owned their property outright.

Cars per household member
The indicator counts the number of cars in a household divided by the number of adults in the household.

Overcrowding
The indicator measures whether the family was living in a property with fewer rooms than officially deemed necessary for a family of that particular size and type.

Poor physical health
This indicator was constructed using a subscale of the SF-12, a widely used measure of self-reported health. Individuals within a household who score one standard deviation below the mean score are designated as being in poor physical health. A household level measure was constructed as a ratio of the number of individuals in poor physical health to total the number of adults in the household, giving an overall percentage of household members who are in poor health.

Poor mental health
This indicator was constructed using the GHQ-12 (General Health Question) – a set of 12 questions that are widely accepted as tapping into minor psychiatric morbidity (capturing the presence of affective disorders such as anxiety and depression). Individuals who score positively on four or more items are considered as having poor mental health. Again, a household measure was constructed as a ratio of the number of individuals in poor physical health to the total number of adults in the household, giving an overall percentage of household members in poor health.

Caring for a child with a health condition or disability
This is a count of whether any adults in the household acts as a carer for a child with an illness or disability.

Highest qualification
This is the highest qualification among individuals who are registered as owners or as responsible for paying rent, or their partners.

Employment
The ratio of working-age members of the household who are in employment to the total number of working-age members in the household. A value of 1 is assigned to part-time work (up to 30 hours a week) and a value of 2 for full-time work (over 30 hours a week). Total hours include overtime and second jobs.

Subjective financial situation
This indicator represents the average score on a single question asking how well the person feels they are currently managing financially among individuals who are registered as owners or as responsible for paying rent, or their partners. The final score is then rounded back to the original four levels.

Neighbourhood support
Respondents are asked to what extent they agree (strongly agree, agree, neither agree nor disagree, disagree or strongly disagree) with the following statements about their neighbourhood:

· I feel like I belong to this neighbourhood.
· The friendships and associations I have with other people in my neighbourhood mean a lot to me.
· If I needed advice about something I could go to someone in my neighbourhood.
· I borrow things and exchange favours with my neighbours.
· I regularly stop and talk with people in my neighbourhood.

The resulting scores are then summed and an average score is calculated among individuals who are registered as owners or as responsible for paying rent, or their partners. The final score is then categorised into tertiles, which are estimated within each of the three cohorts (families with children, working-age adults without dependent children, and pensioners) so that a household's relative position is calculated in relation to the norms associated with that cohort.

Family support

This measure records whether a respondent is in contact with either a parent or a child who lives outside the home at least once a week (by telephone or in person). If they are, the measure also records whether they live within close proximity of that person (30 minutes or less). They score a 1 for regular contact, and 2 for regular contact plus close proximity. An average score is calculated among individuals who are registered as owners or responsible for paying rent, or their partners. The final score is then rounded back to the original three levels.

Participation

We used preparedness to take risks with strangers as a proxy for participation[243] – respondents are asked on a scale of 0–10 whether they are 'generally a person who is fully prepared to take risks in trusting strangers or do you try to avoid taking such risks?' An average score is calculated among individuals who are registered as owners or as responsible for paying rent, or their partners.

Interest in politics[244]

Respondents are asked whether they are very interested, fairly interested, not very interested or not at all interested in politics. An average score is calculated among individuals who are registered as owners or as responsible for paying rent, or their partners.

Neighbourhood deprivation

This is calculated using the English Indices of Multiple Deprivation, which measure local deprivation. Deprivation covers a broad range of issues and refers to unmet needs caused by a lack of resources of all kinds, not just financial. The Indices of Multiple Deprivation attempt to measure a broader concept of multiple deprivation, made up of several distinct dimensions, or domains, of deprivation. The Indices of Multiple Deprivation 2010 use 38 separate indicators, organised across seven distinct domains of deprivation, which can be combined, using appropriate weights, to calculate overall Indices of Multiple Deprivation. The seven domains are income; employment; health and disability; education, skills and training; barriers to housing and services; crime and living environment.

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This project was done in partnership with

NatCen
Social Research

and supported by

ef Esmée
Fairbairn
FOUNDATION

Poverty is not just about income. Poverty as a lived experience is a complex, multi-dimensional phenomenon spanning one's social and economic life – but we have, until now, never really understood how these different dimensions interact at household level. The way poverty is currently measured, by looking purely at income, is both too abstract to relate to people's everyday lives and not informative enough to help practitioners tackle entrenched poverty.

This report develops a pioneering new model to fill this gap in policy makers' understanding, revealing how poverty manifests itself in different ways in different households and putting to bed once and for all the assumption that those in poverty are a homogeneous group that can all be helped in the same way. The analysis applies 20 indicators – spanning health, housing, education, material deprivation and social networks – to the low income population, to develop different 'types' of poverty. Each type must be addressed by a different combination of services and interventions.

The findings – and the model we have used to generate them – are entirely new. This is the first time anyone has attempted to systematically break down the in-poverty population into different groups and the insights of this analysis touch upon a range of policy areas – from wage distribution to housing. The report challenges established preconceptions about life in poverty, but also has vitally important implications for how we tackle it.

Claudia Wood and Duncan O'Leary are Deputy Directors of Demos. Jo Salter and Ally Paget are Researchers at Demos. Gareth Morrell is Senior Research Director in the Society and Social Change team at NatCen. Dr Matt Barnes is a dedicated Analyst at NatCen.